

# Purchasing Week

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\$5 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN



## 'Why I Have Such High Regard For Purchasing Agents'

By DEXTER M. KEEZER

Most of what I'll be writing in this place will be forward looking. This is largely a matter of habit—the deeply ingrained habit of trying to push away the fog that persistently obscures the future course of business.

There could also be a slight trace of guile in the forward looking posture. For, over the years, I have made observations that I have formally embodied in what I call Keezer's Law #3. (I'll tell you #1 and #2 later.) Law #3 is that most people would rather be misinformed about what is going to happen than correctly informed about what is happening and has happened. I'll aim to limit the application of this law to the form of what I write rather than to the substance.

But to explain why I am here, a bit of history, a bit of backward looking is called for. Over the years I have had a positively tender regard for those who were called "purchasing agents" when I acquired this regard. I assume that the terminology department has long since had them reclassified as "purchasing executives."

It was as executive director of the Consumers Advisory Board of the National Recovery Administration, way back in the dark depression days of the first Administration of Franklin D. Roosevelt, that my deeply abiding esteem for purchasing executives was acquired.

I had been virtually implored to ask leave from my regular job to work with the NRA. Those urging me to do it finally included the President of the United States. But the publishers of the *Baltimore Sun*, where I had about as nearly an idyllic job as it is possible to have on this imperfect earth, absolutely refused to give me leave to work with "that dizzy outfit." Henry Mencken, who was the publishers' most influential advisor, phrased their objections much more picturesquely.

Seized by a flood tide of patriotism and determination to serve my country in an hour of crisis, I told the *Sun* to dispose of its job in the conventional manner, and with my wife, infant daughter and a large part of our worldly possessions packed in a flivver, headed for Washington and the call to serve my country.

When I reported for duty to General "Iron Pants" Johnson, the head of the NRA, I found him talking with a group of associates on a subject of which I had quite a bit of knowledge. I had also met the General in the course of the entreaties to have me help the Recovery Administration. So when there was a break in the conversation which seemed to invite a comment by me, I said, "I think . . ." That's as far as I got. Casting a magnificently baleful eye upon me, General Johnson growled, "And just who (Turn to page 4, column 3)

## ABOUT DR. KEEZER . . .

"Whatever mistakes I have made as an economist," Dexter M. Keezer once told an audience of businessmen, "have been well thought out."

Few economists to anybody's knowledge either 1) concede the possibility of errors, or 2) are sportsmanlike about them.

On these two initial scores, then—honesty and grace—Purchasing Week happily is going to give you a new monthly column (first installment above) by an economist-author who:

Has been an editor (*Baltimore Sun*), educator (president, Reed College), government official (NRA, War Labor Board), author (*Making Capitalism Work*), and business economist (Director, McGraw-Hill Dept. of Economics; currently a member of the board of directors and economic advisor).

You're not going to find much to-do about doctrine in these columns. What you will find are some exceptionally thoughtful, always interesting, and skillfully polished comments on the business world we live in. For to Dr. Keezer, the industrial community—along with smokestacks and machines—has its own fascinating manners, imagination, intelligence, and wit. We who have been his colleagues have learned to see that through his eyes. So will you when you read him. —The Editors of Purchasing Week

## Kennedy Acts To Needle Economy, Tranquilize Prices

Washington—President Kennedy has undertaken in his first month in office two major tasks which at times seem to be contradictory—stimulation of the economy and a closer supervision of price-wage determinations than anything since the outright controls of World War II.

He is well on his way to getting much of what he wants in the way of antirecession measures. But wage-price stability is a more nebulous problem. In this, he must enlist the support of both industry and labor and, eventually, of the public to keep unions and management in line.

Kennedy can count on Congressional help in his move to use the influence of the White House to maintain stable prices and wages. Prices, for example, are the favorite target of Sen. Estes Kefauver (D-Tenn.). Through his Senate Antimonopoly Subcommittee, he can be expected to keep this pot boiling.

The Joint Economic Committee, under Rep. Wright Patman (D-Tex.), also will be a good source of arousing opinion against excessive wage, price and cost rises.

Patman already is trying to keep the pressure on government (Turn to page 37, column 1)

## Threats of Damage Suits Pile Up Against Makers Of Electrical Equipment

New York — Customers of electrical equipment industry antitrust defendants piled up threats of damage claims last week, but few appeared ready to go it alone. A pattern of combined legal action was shaping up, among state and local agencies, and private utilities appear to be waiting for the federal government to prove its claims before pushing theirs.

On the other hand, some cities indicated they were definitely opposed to filing suit for damages, and a number of utilities also showed reluctance to go into court to press claims after attorneys and other corporate officers demonstrated it would be both difficult and expensive to prove (Turn to page 37, column 1)

## P&W to Accept Trade-Ins On Machine Tool Sales

West Hartford, Conn.—Fairbanks Whitney Corp. has adopted an "all-make trade-in" plan to help boost sales of its major machine tool manufacturing subsidiary, Pratt & Whitney Co.

Pratt & Whitney customers will be able to trade in used or surplus tools of any manufacturing origin as credit or part payment on purchases of 1961 (Turn to page 3, column 1)

## HOW DOMESTIC-IMPORT PRICES COMPARE



## Import Prices Rise Steadily, But Bargain-Hunting Persists

New York—Foreign suppliers are maintaining a tight grip on their U. S. markets in the face of such odds as rising prices of their products, a sharp U. S. recession, and increasing "Buy American" pressures.

Biggest factor in their favor is emphasis of American business management to ease the profit squeeze by cutting procurement costs. Despite some narrowing of the price gap between U. S. and foreign manufactured industrial goods (see chart), importers still have a substantial price advantage. In some areas—steel and aluminum, for example—it runs as high as 20% or more.

But the lure of lower prices isn't the only factor favoring foreign suppliers. Buying from overseas sources isn't the risky business it once was, foreign trade experts say.

Importers now are in a position to match domestic products in almost every respect, partly because of increased capacity, and also because of a slowdown in European demand.

In addition, they're playing up to U. S. customers by offering a wider array of products, as well as improved quality, delivery, and service.

Take delivery time. Overseas (Turn to page 38, column 1)

## This Week's Purchasing Perspective

FEB. 20-26

Some firms with major defense contracts appear to be heeding pleas of military brass to beef up their procurement departments. Effort of the Small Business Administration to funnel subcontracts to smaller suppliers also appears to be having its effect on purchasing departments.

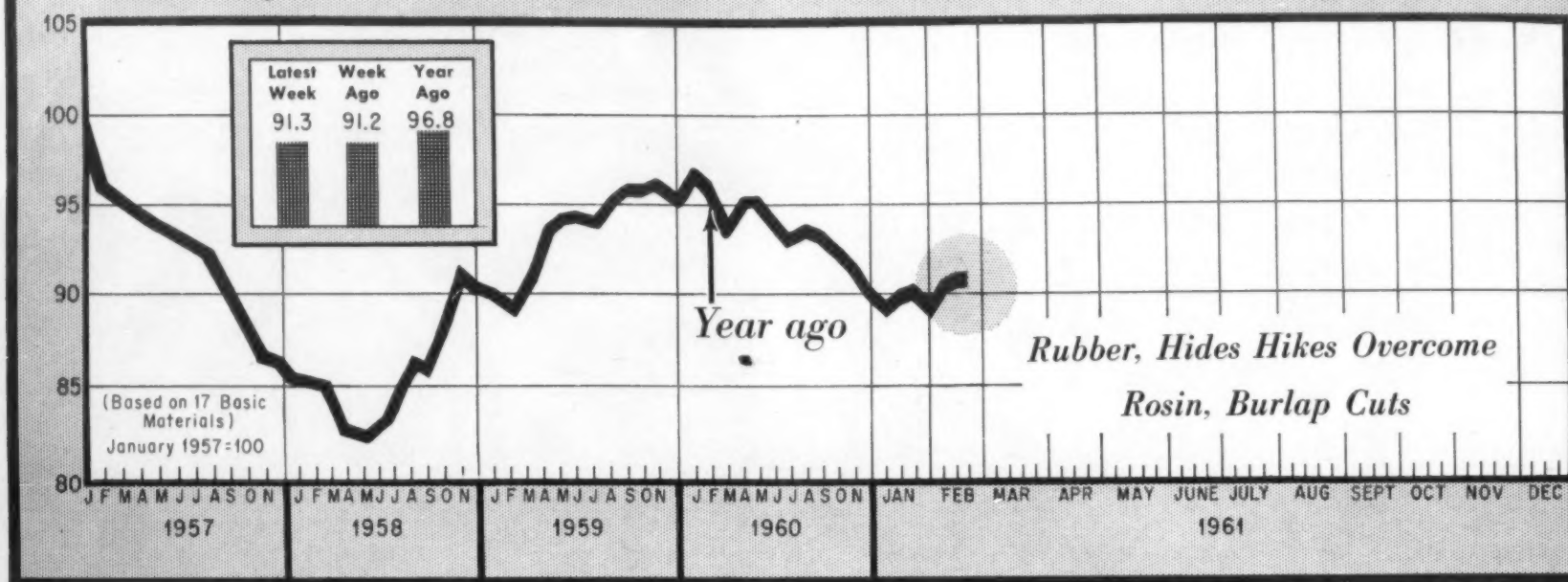
An example: One of the largest of the West Coast missile and space contractors—while denying any "pressure" by the military—nevertheless points out that its central procurement agency went up from around 950 persons to more than 1,100 to 1960, an increase of about 18%. This occurred without a parallel rise in general production or contracting activity.

The sensitive indicators haven't leveled yet, but more and more purchasing forecasters are voicing the belief that the 1960-61 recession may have bottomed out in recent weeks. Surveys (see PW, Jan. 2, p. 1) indicated nearly two months ago (Turn to page 37, column 4)



# Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



## This Week's Commodity Prices

### METALS

	Feb. 15	Feb. 8	Year Ago	% Yrly Change
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.97	5.97	5.975	-.1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	32.00	32.00	43.00	-25.6
Steel scrap, #1 heavy, del. Cleve., gross ton.....	29.00	29.00	39.00	-25.6
Steel scrap, #1 heavy, del. Chicago, gross ton.....	30.00	30.00	37.00	-18.9
Aluminum, pig, lb.....	.26	.26	.26	0
Secondary aluminum, #380 lb.....	.23	.23	.25	-8.0
Copper, electrolytic, wire bars, refinery, lb.....	.286	.286	.329	-13.1
Copper scrap, #2, smelters price, lb.....	.23	.23	.26	-11.5
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.008	1.004	1.018	-1.0
Zinc, Prime West, East St. Louis, lb.....	.115	.115	.13	-11.5

### FUELS†

	Feb. 15	Feb. 8	Year Ago	% Yrly Change
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.30	2.30	2.00	+15.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.37	+10.5
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.10	2.10	2.15	-2.3
Lp-Gas, Propane, Okla., tank cars, gal. (net price)....	.045	.045	.045	0
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.124	.124	.111	+11.7
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.108	.108	.107	+.9
Kerosene, Gulf, Cargoes, gal.....	.103	.103	.09	+14.4
Heating oil #2, Chicago, bulk, gal.....	.103	.103	.091	+13.2

### CHEMICALS

	Feb. 15	Feb. 8	Year Ago	% Yrly Change
Ammonia, anhydrous, refrigeration, tanks, ton.....	94.50	94.50	90.50	+4.4
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.138	.138	.19	-27.4
Glycerine, synthetic, tanks, lb.....	.273	.273	.293	-6.8
Linseed oil, raw, in drums, carlots, lb.....	.167	.162	.176	-5.1
Phthalic anhydride, tanks, lb.....	.195	.195	.165	+18.2
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	17.00	17.50	13.70	+24.1
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.068	.065	.056	+21.4
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0

### PAPER

	Feb. 15	Feb. 8	Year Ago	% Yrly Change
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.20	+3.2
Bond paper, #1 sulfite, water marked, 20 lb, 16-carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.25	+2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.60	6.60	6.30	+4.8
Old corrugated boxes, dealers, Chicago, ton.....	14.00	14.00	18.00	-22.2

### BUILDING MATERIALS‡

	Feb. 15	Feb. 8	Year Ago	% Yrly Change
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk, fob N.Y., bbl.....	4.20	4.20	4.18	+.5
Southern pine, 2x4, s4s, truckloads, fob N.Y., mftbm.....	116.00	116.00	124.00	-6.5
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	122.00	122.00	138.00	-11.6
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	80.00	80.00	93.00	-14.0
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.....	60.00	60.00	68.00	-11.8

### TEXTILES

	Feb. 15	Feb. 8	Year Ago	% Yrly Change
Burlap, 10 oz. 40", N.Y., yd.....	.162	.166	.104	+55.8
Cotton middling, 1", N.Y., lb.....	.324	.323	.333	-2.7
Printcloth, 39", 80x80, N.Y., spot, yd.....	.172	.172	.222	-22.5
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.205	.21	.235	-12.8
Wool tops, N.Y., lb.....	1.475	1.510	1.485	-.7

### HIDES AND RUBBER

	Feb. 15	Feb. 8	Year Ago	% Yrly Change
Hides, cow, light native, packers, Chicago, lb.....	.170	.162	.22	-22.7
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.294	.285	.402	-26.9

† Source: Petroleum Week ‡ Source: Engineering News-Record

## This Week's

# Price Perspective

FEBRUARY 20-26

**LABOR REPERCUSSIONS**—Passage of a minimum wage bill is likely to boost pay rates on a broad industrial front.

That's because of the so-called "rippling effect," which means that every wage change on the bottom of the scale successively generates clamors from each higher paid group for maintenance of its "wage differential."

Some unions actually have provisos in their contracts to take this factor into account. Thus, Chicago's Warehouse and Mail Order Employees' Union (Local 743 of the Teamsters) has contracts which provide proportionate wage increases for all employees when the minimum is raised.

Theoretically this could boost all wages in the country by 25% if minimum wage goes up from \$1 to \$1.25.

But nothing so radical is envisioned because:

(1) Most firms strongly resist proportionate increases.

(2) Only a few companies—mostly in Southern areas—pay employees less than \$1.25/hr.

(3) The differential becomes less important when there's a big gap in wage rates. Thus, a worker making \$3/hr. is not nearly so concerned about a worker receiving an increase from \$1/hr. to \$1.25/hr. as, say, a worker who now makes \$1.25/hr.

Many labor experts feel that a 1% to 2% boost in over-all pay rates would be an accurate measure of any minimum wage repercussion.

**INTERNATIONAL REPERCUSSIONS**—Foreign developments are again calling the turn on copper prices.

Thus, in the two days following Lumumba's death in the Congo, prices on the London Metal Exchange rose to 28¢/lb.—only 1¢ below the prevailing U.S. price. U.S. futures followed suit, showing smart gains for all 1961 months.

But the Congo, which accounts for about 8% of the free world supply isn't the only price firming factor.

• **In Northern Rhodesia**—political unrest and threats of strikes could tie up copper mining operations—which with Katanga account for almost 25% of total non-Communist output.

• **In Chile**—sporadic labor troubles continue to interfere with a steady flow of output, though no prolonged strike is seen at this time.

• **In Finland**—the International Wrought Non-ferrous Metals Council meets in Helsinki next month to discuss ways of combating weak international copper prices.

It's extremely doubtful whether the U.S. price will drop another 1¢ to 2¢/lb.—as many experts have been predicting—so long as these major question marks remain unanswered.

**MARKET POTENTIAL**—Consumer goods, despite their poor current showing, are no closer to saturation than they were 15 years ago.

So thinks Marion Harper, Jr., head of McCann-Erickson advertising agency. Speaking recently before a group of Chicago marketing executives, he backed up this statement with some encouraging statistics.

In cars, for example, he cited data showing that one out of every three autos is seven or more years old. That's a potential replacement market of almost 20-million vehicles.

Even in soft goods there is room for a buying stepup. The average male, for example, buys a suit only once in three years. The average woman, a coat only once in every two and a half years.

The big problem, according to many economists, is not saturation—but the siphoning off of spending into "service" channels. A decade ago services accounted for 33% of total spending; today the figure is over 40%.



## New England Brass Posts 1¢ to 3¢ Price Cuts for Small-Lot Buyers

**New York** — New England Brass Co. last week initiated a new pricing policy that includes a built-in price decrease and a revised volume discount schedule that strongly favors small-lot buyers.

The new discount schedule gives buyers of less than 5,000 lb. a price break of from 1¢ to 3¢/lb. over the old schedule for brass, bronze, nickel silver, and phosphor bronze coil and strip products. Above 5,000 lb., the reductions amount to ¼¢/lb.

### New 'Incentive Discount'

In addition, New England Brass is offering a new "incentive discount" plan that gives buyers an additional 1¢/lb. reduction from the revised price schedule (see table) on all orders shipped "to one destination at one time." This discount holds for orders including different widths, up to 9¼ in.

Large brass mills appeared reluctant to follow New England Brass' lead. "Business is picking up and we definitely don't want to stick ourselves with still lower

prices now," commented one big Eastern mill. But if one large mill goes along with New England Brass' move, the others probably would follow.

New England Brass said domestic competition was the main reason for its action. According to company officials, the price reductions did narrow the gap between its own and imported brass prices, but it was primarily aimed at widespread price cutting by U.S. mills.

## Quantity Discount Changes by New England Brass

(cents per lb.)

Pounds	Old Schedule		New Schedule	
	Brass & Commercial Bronzes	Nickel Silver Phosphor Bronze	Brass & Commercial Bronzes	Nickel Silver Phosphor Bronze
20,000 & over	-1	-1	-1	-1
15,000-20,000	-½	-½	-¾	-¾
10,000-15,000	-½	-½	-½	-½
7,500-10,000	Base price		-¼	-¼
5,000-7,500	Base price		Base price	
4,000-5,000	+2	+2	+1	+2
3,000-4,000	+3	+3	+1	+2
2,000-3,000	+4	+4	+2	+3
1,000-2,000	+6	+6	+4	+5
500-1,000	+10	+12	+7	+10
300-500	+18	+20		
250-300			+18	+20

(No changes on smaller than 250-lb. quantities)

## Dow-Ohio Oil Sign Pact

**Detroit**—Ohio Oil Co. emerges as a major petrochemical producer with the signing of an agreement to supply Dow Chemical Co. with 20-million gal. of benzene-toluene annually, starting mid-1962.

The petroleum-derived benzene will be produced at the refinery of Aurora Gasoline Co., wholly-owned subsidiary of Ohio Oil. Construction is expected to begin late this year on a multimillion-dollar addition to the refinery.

Toluene will be added to the benzene so that the chemical can be shipped by pipeline without danger of freezing.

## Pratt & Whitney Sets Up Trade-In Plan to Boost New Machine Tool Sales

(Continued from page 1)  
model tools made by Pratt & Whitney.

A new Fairbanks Whitney unit, Machinery Trading Corp., has been set up to handle the transactions as well as resale of the trade-in machine tools. Facilities for warehousing and rehabilitation of the used tools will be located at P&W headquarters in West Hartford.

### The Competition

Pratt & Whitney's competitors viewed the move with interest, but some appeared unimpressed. They claimed P&W merely had put a fresh coat of paint on a practice common in the machine tool industry.

The real novelty appeared to be the forming of a unit for the trade-ins. However, said one Chicago toolbuilder, this makes it "sound like Pratt & Whitney has gone into the used machinery business."

A number of machine tool builders already accept trade-ins, but for the most part, limit that type of deal to their own makes. Pratt & Whitney believes its unlimited make offer scores a first in the industry.

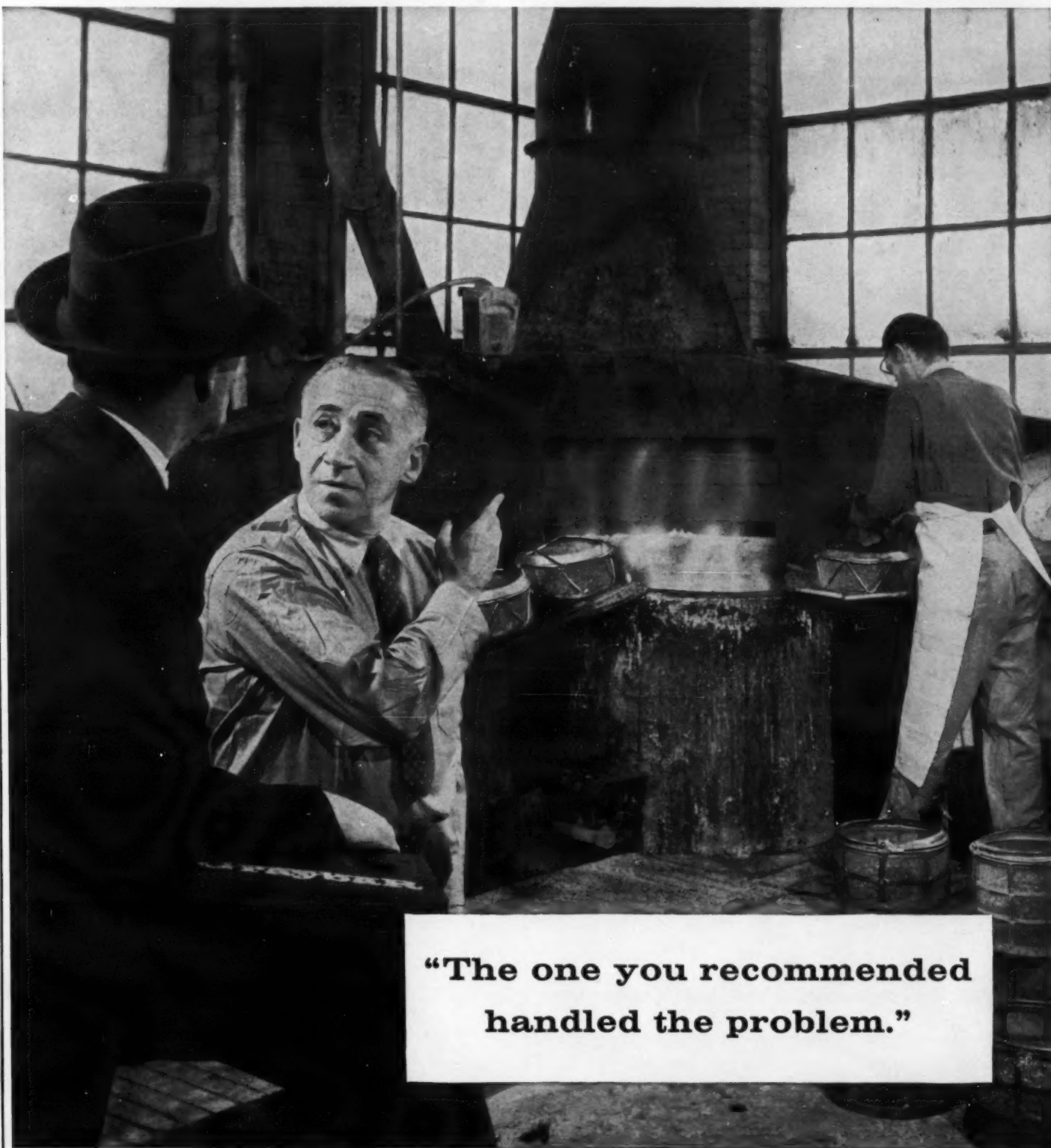
### A Typical Deal

Here's how a typical deal would work under the P&W setup, according to Frank Reilly, manager of Machinery Trading Corp.:

Assume a buyer wants a Keller three dimensional milling machine listing at \$49,500. He has eight surplus machines of various makes that Machinery Trading Corp. estimates are worth \$8,000.

Machinery Trading then authorizes Pratt & Whitney to allow \$8,000 against the purchase of the new machine.

Reilly said trade-in prices will be competitive with prices in the used machinery industry.



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# Washington Perspective

FEB. 20-26

President Kennedy obviously is seeking business cooperation to win support for his antirecession program. His moves to woo industry leaders are being taken in some circles to mean that he is pro-business, or at least less anti-business than had been anticipated.

The truth is that Kennedy, above all, is a practical politician. As such, he knows he needs the help of businessmen to keep prices stable. And he knows equally well he will get this cooperation only if industry leaders lose their normal fears about a Democratic Administration.

Such a pragmatic approach to problems already has become the hallmark of the Kennedy Administration. If the President needs the help of industry, he seeks it. If he needs the aid of labor, he seeks it.

So far as business is concerned, Kennedy has made most of the right moves. His Treasury Secretary has an impeccable reputation among financiers. His Commerce Secretary is widely respected in business circles. Even his Labor Secretary is making polite overtures to industry leaders.

Some businessmen are convinced. But others still are uneasy, particularly when Kennedy gets down to such details as his plan to play a role in wage-price determinations and his desire to increase social security and unemployment insurance taxes.

The upshot is that even those industry leaders who have had a close look at the Administration are beginning to agree that Kennedy will take each problem as it arises.

Part of Kennedy's antirecession program has started traveling the long road through Congress. The Senate Banking and Currency Committee has held hearings on his depressed areas bill. The House Ways & Means Committee has speeded consideration of unemployment benefits. And the House Labor Committee is about ready to bring out a new minimum wage bill.

The broader question of business ethics is arousing considerable concern in Washington. Although Kennedy has gone easy on the subject, there are increasing demands that Ralph J. Cordiner, chairman of General Electric, resign his post as chairman of the government's Business Advisory Council.

The BAC, composed of 174 of the nation's top corporation executives, meets periodically in private with federal officials. The issue of its usefulness—or certainly that of Cordiner as chairman—has been thrown into doubt by the fines and jail sentences meted out to GE and three of its executives in the recent price-fixing and bid-rigging case.

Cordiner says he knew nothing of the practice, and the Justice Dept. believes him. Sen. Estes Kefauver (D-Tenn.) says quite flatly that he doesn't. Commerce Secy. Luther H. Hodges says he will wait until after the next BAC meeting in March before determining the future of the group.

All this could provide ample ammunition for the Administration and Congressional investigators if and when they ever want to arouse public sentiment against industry and some of its pricing policies.

An Air Force drive to force contractors to cut costs is paying off. Lt. Gen. Mark E. Bradley, Jr., deputy chief of staff for materiel, says more than \$500-million has been saved in two or three years through better pricing and subcontracting techniques, overhead cost reductions, and improved cost control methods.

The Air Force still is not satisfied with the results. A survey of about 400 suppliers shows that 65% of the companies involved "inadequately analyzed the costs and prices of subcontractor proposals."

## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,524	1,492*	2,687
Autos, units	97,873	107,524*	159,999
Trucks, units	23,221	24,499*	31,407
Crude runs, thous bbl. daily aver	8,405	8,297	8,077
Distillate fuel oil, thous bbl	15,662	15,043	12,363
Residual fuel oil, thous bbl	7,018	7,179	7,178
Gasoline, thous bbl	28,452	28,652	28,266
Petroleum refineries operating rate, %	84.7	83.6	82.7
Container board, tons	157,407	161,020	170,939
Boxboard, tons	90,285	94,702	98,363
Paper operating rate, %	91.4	89.9*	97.8
Lumber, thous of board ft	193,731	197,830	237,535
Bituminous coal, daily aver thous tons	1,238	1,171*	1,412
Electric power, million kilowatt hours	14,744	15,072	14,071
Eng const awards, mil \$ Eng News-Rec	329.1	287.0	342.2

\*Revised

## Keezer: 'Why I Like Purchasing Agents'

(Continued from page 1)

gives a good goddam what you think?"

What a reception for a young patriot who, with all his bridges burned behind him, was reporting to do his sacrificial duty to his country! But also, it quickly developed, what an accurate estimate of the prestige of the Consumers Advisory Board in the councils of the National Recovery Administration! It was just about literally true that no one around the NRA gave a whoop about what the Consumers Advisory Board thought of what was going on.

What was going on, in large part, was the formation of a lot of national price and wage fixing cartels. In the drafting of "codes" to put the cartels in business, the representatives of business management accommodated the representatives of organized labor by agreeing to wage-fixing provisions, and the labor representatives graciously reciprocated by agreeing to price-fixing provisions—while the consumer representatives bleated ineffectually on the side lines.

### P.A.'s to the Rescue

It was at this point that purchasing executives came into my abiding esteem. Through the national association and with the notable help of George Renard, executive secretary of the National Assn. of Purchasing Agents, we appealed for help by purchasing agents to represent the consumer interest in the formation of the NRA codes. And a group of them, a wonderful group, left their regular jobs to come to Washington to give the Consumers Advisory Board a lift with staff help.

They worked like dogs, right around the clock. In my estimation one of the great leaders of the group, L. F. Boffey, literally worked himself to a tragically early death. With the prestige of "pros" in the consumer field, what they had to say on behalf of the consuming interest in the process of writing the NRA "codes" slowly began to acquire influence.

When I left the NRA at the end of its first year, the Consumers Advisory Board was still sitting well below the head of the NRA council table. But it had made substantial progress in that direction. Where they had initially touched off nothing more than contemptuous snorts, the Board's judgments on what should be done now commanded a respectful hearing more often than not. Indeed, the Industrial Advisory Board, an imposing collection of management eminences, had become so conscious of the influential presence of the Consumers Board that it invited the whole outfit to a positively regal banquet.

For this almost dramatic upgrading of the position of the consumer in the NRA, a group of very intelligent, highly informed, deeply patriotic and superlatively industrious purchasing agents had a large share of responsibility. And this is a key reason why I am glad to have a chance to do something I hope will be useful for the purchasing craft and profession in this place.

• • •  
If the world is made the frame

of reference, perhaps with a bit of outer space thrown in, it can be argued effectively that the crisis with which the NRA was wrestling was peanuts compared with the crisis today. But there is this striking difference. Today I can find no general feeling of crisis abroad in the land. In 1933 no one needed an argument that we were in a terrific crisis. Everyone knew it. This realization gave going to Washington "to save the country" a tremendous and soul satisfying lift that doesn't seem to be available, at least in anywhere near the same degree, today.

Communists may have been

boring from within and secretly messing up the NRA in subversive ways. But at the time that possibility had not been recognized. Mistakes and misfirings were put down to strictly home grown, patriotic stupidity. That gave the kind of battling that went on unceasingly in the NRA a sort of rugged innocence and wholesomeness which, alas, I do not expect to linger long enough on the earth to see again.

But don't let this deter you from going to Washington even if you only suspect you have a chance to strike a clean blow for liberty.

## CAB Urges Shakeup in Air Cargo Lines, Okays Subsidy for Riddle

Washington—A Civil Aeronautics Board examiner has recommended a shakeup in the nation's scheduled all-cargo air service and advocated the first federal subsidy for an all-cargo airline.

Examiner Merritt Ruhlen, in a decision subject to approval by the full CAB, has proposed that the number of all-cargo carriers authorized to engage in common carriage be reduced from four to two.

Under his decision, Riddle Airlines would continue to provide north-south service in the East and Flying Tiger Line would provide transcontinental service. Slick Airways and AXICO Airlines would lose their routes. They have not been providing scheduled cargo in recent years because of financial difficulties. But Slick, which has continued chartered cargo flights, had planned to resume scheduled

service and had ordered \$11-million in jet-powered equipment in anticipation of doing so.

Slick already has served notice that it plans to appeal the examiner's ruling to the full CAB.

Under Ruhlen's decision, the all-purpose (passenger and freight) airlines which now provide some all-cargo flights would continue doing so and two—American and Delta—would be permitted a limited expansion.

Ruhlen's recommendations grew out of a broad CAB investigation, underway since 1958, into the air cargo business. The inquiry was ordered to determine whether all-cargo carriers should be permitted to continue in operation, whether any of them should be subsidized and whether all-purpose airlines should be allowed to take over the cargo business altogether.

He concluded that all-cargo lines should be continued in business because the big passenger lines have failed to really push the air freight business. He said carriers which haul freight only make a "greater effort and exercise (more) managerial ingenuity" in promoting the cargo business than do the all-purpose lines.

But he said the all-cargo lines cannot achieve a significant breakthrough in capturing freight from surface carriers and thereby gain financial stability without some government aid, new jet equipment, improved mechanized loading and warehousing, and other steps that would lead to lower rates.

Ruhlen said that with rates in the range of 7¢ to 16¢/ton mi., air carriers could make heavy inroads into the more than 30-billion ton miles of freight now moved by common carrier trucks for distances in excess of 600 miles. Air freight rates now average about 20¢/ton mi., but are expected to drop with the introduction of the first cargo-only jets this year.

Ruhlen recommended that Riddle be authorized to continue scheduled freight service in the East with routes between Boston-Miami, Detroit-Miami and Boston-New Orleans and that Flying Tiger be granted an exclusive East-West transcontinental route. In addition, he proposed that Riddle be granted a federal subsidy of about \$2-million annually. Flying Tiger had not requested government help unless a competitor on its route were subsidized.

## Machinery Makers See 11% Boost in New Orders

New York—Machinery makers are moderately optimistic about business in 1961, according to a survey just released by McGraw-Hill's Dept. of Economics.

Manufacturers expect new orders to hit the low point of the year in the current quarter and then rebound to successively higher levels in each of the following quarters. By autumn, the index of new orders is expected to average about 11% above current rates.

But even if these increases materialize, total 1961 orders still would be some 2% below 1960 levels.

The year-to-year comparisons, however, are expected to vary significantly for different types of machinery. In the engines and turbines group, manufacturers predict a 12% decline in new orders this year, while pump and compressor makers anticipate a more modest 5% decline.

Builders of construction and mining machinery are now thinking in terms of a 7% decline in new business for their products. But producers of metalworking machinery believe orders will be off just a hair this year—down by 2%.

One group—office machinery—is predicting an increase in 1961 bookings of some 6% above last year's total.





# FUMES

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Purchasing Week



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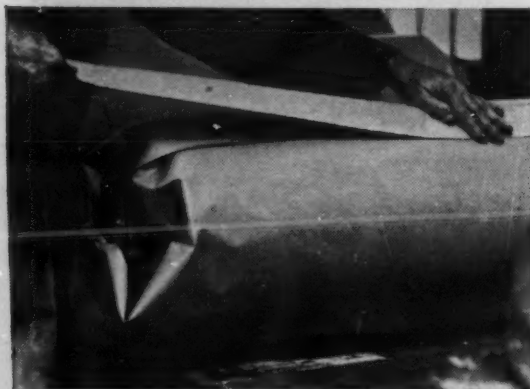
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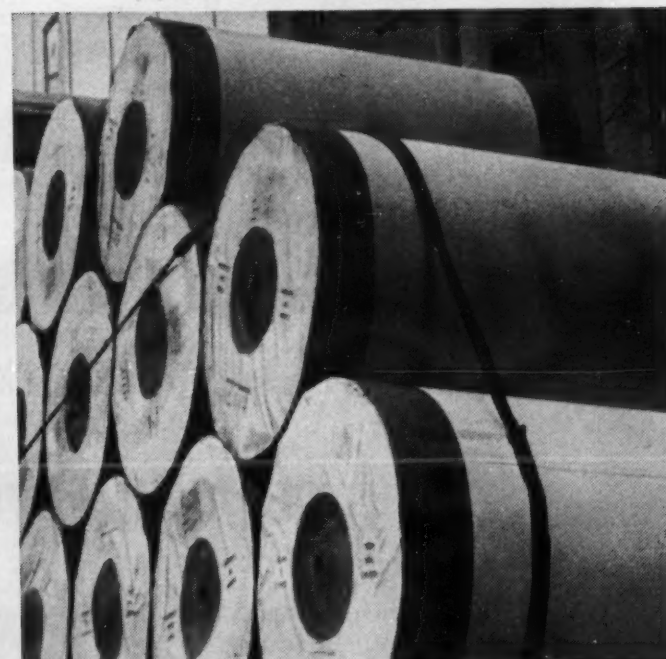
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## Rails Hit Back at Teamster Piggyback Complaints

Washington—"Piggyback has created severe dangers to the jobs of all teamster drivers in every part of the country. Every teamster should make it his duty to contact his senator, his congressman and state or local government officials and inform them about the economic dangers of piggyback."

This message from President James R. Hoffa to the 1.7-million members of the powerful Teamsters Union has touched off a barrage of complaints about piggybacking operations to members of the House and Senate and the Interstate Commerce Commission.

### Common Theme

Through them all runs a common theme: The phenomenal growth of piggybacking in recent years has cost "thousands" of truck drivers their jobs and threatens to shove additional thousands out of work.

In a recent issue of the union's magazine, Hoffa provided the Teamsters with an eight-page pamphlet outlining the union's attack on piggybacking. The same issue contains an article blistering the ICC for playing "Santa to the railroads" generally—not only in approving various piggyback plans but also in permitting them to engage in selective rate-cutting to win back traffic lost to trucks. The article charges there is an "unholy alliance" between the commission and the rail lines.

Now, the railroads have struck back. To editors and commentators across the country the Assn. of American Railroads sent a lengthy point-by-point answer to charges made by Hoffa. It said that on the one hand the Teamsters "truthfully admit that (their) objective is a self-serving one, namely, the preservation of teamster jobs. But on the other hand, they abandon truth entirely and display instead an amazing capacity for misrepresentation, distortion and outright fabrication."

### Main Points

The rails give two principal points:

- ICC's approval of piggybacking rates has not resulted from any rail domination of the commission. ICC, the railroads say, merely has "(1) refused to kill off arbitrarily a new and formidable competitor of the trucking industry, (2) has refused to sacrifice and subordinate the public interest in piggyback growth and development to the vested interests of the trucking industry, and (3) has refused to guarantee to truckers the right to handle traffic they are not economically qualified to handle."

- As to the loss of jobs caused by piggybacking, the Teamsters

can hardly complain. Says the rail association: "Due in no small part to truck competition, railroad employment in just 30 years has been cut in half—from 1,511,000 in 1930 to fewer than 750,000 today."

How serious is the Teamsters' attack on piggybacking and the greater rate-making freedom won by the railroads over the past two years? Transportation observers doubt that the pressure campaign of the scandal-ridden union will, of itself, have much influence on Congress. But Hoffa is treaten-

ing to brandish a bigger weapon.

In a recent contract signed with Midwest truckers, he won an agreement that the truck operators will begin on Feb. 1, 1962, to pay the union a \$5 fee for each trailer loaded on a flat car. In the meantime, the union and truckers are to conduct a joint study of the problems piggybacking poses for both sides. This leaves open the possibility that if the truckers take some action on their own to curb piggybacking, the union will back off from its "royalty" demand.

## Rambler Distributors Offer Guide Comparing Cars by Price Groups

Detroit—Rambler dealers are offering free guides that compare 1961 cars by price groups.

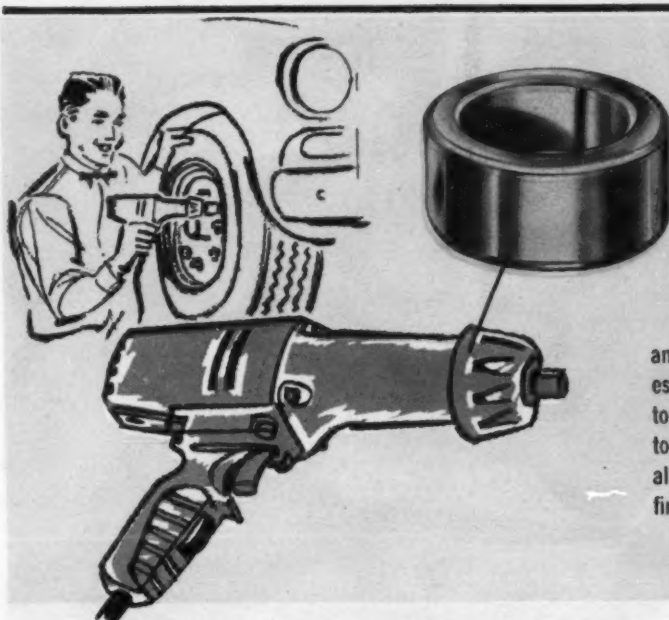
Three 28-page booklets compare economy compacts, low-price makes, and luxury models in the low-price field. In addition to comparative photographs, each booklet contains charts covering prices, interior and exterior specifications, engine performance data, and special features.

The booklet on compacts

compares the Rambler American, Corvair, Falcon, Lancer, Valiant, Comet, and Lark. The second booklet covers the Rambler Classic; the standard Ford, Chevrolet and Plymouth; Pontiac Tempest, Oldsmobile F-85; Buick Special; Dodge Dart, and Studebaker. The third compares the Rambler Ambassador V-8, Ford Galaxie, Chevrolet Impala, Plymouth Fury, Dodge Dart Seneca, Mercury Meteor, and Pontiac Catalina.

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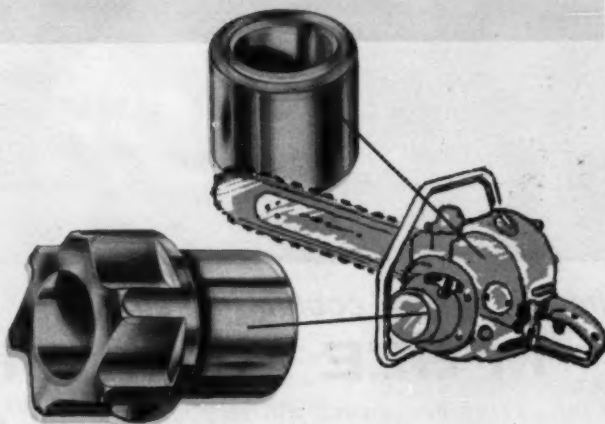


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This heavy-duty impact wrench takes the rigorous punishment of hard industrial use right on the nose . . . and right on the 600 Series nose bearing. This bearing was especially chosen by the manufacturer because of its ability to absorb a range of 1600 to 1800 impacts per minute at a torque of from 0 to 250 foot pounds. By specifying 600 bearing alloy, the manufacturer gets superior performance from his finished product.

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Professional woodcutters give chain saws a rough time for hours on end, all year round, and these rugged saws must be built to take punishment. With chain speeds up to 3000 feet per minute, the ratchet and drive gear bearings, for example, must have a very high strength, hardness and good resistance to wear with minimum lubrication. That's why 600 Series Alloy was specified for both parts . . . the ratchet is a forging and the bearing was produced from 600 Series rod.



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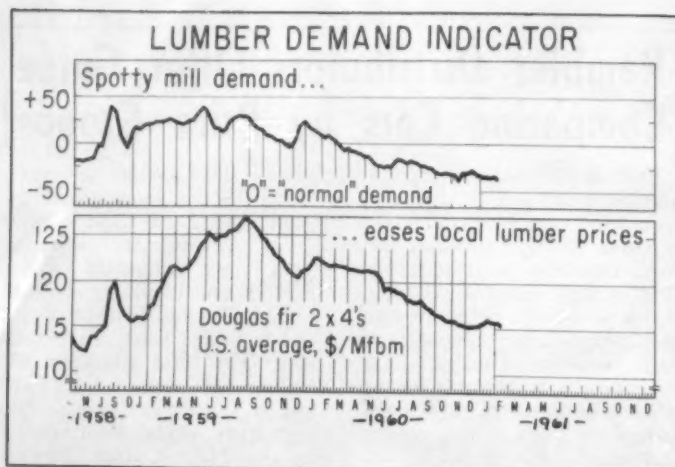
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### Lease Plan Expands

San Juan—Lease Plan International Corp., Great Neck, N. Y. has extended its operations to Puerto Rico via a joint venture with Caribe Motors Corp., sole distributor of Chevrolets, Buicks, Cadillacs, Opels, and GMC trucks in the island as well as largest lessor of motor vehicles in the area.

Caribe's fleet of 700 vehicles will be augmented by vehicles from Lease Plan International.





Purchasing Week, Feb. 20, 1961

Source: Engineering News-Record

## Light Demand Whittles Away at Lumber Prices

**New York**—Lumber tags are shaky right now, and most industry analysts foresee only a continuation of the long downward drift in these prices.

### Recent Developments

Recent developments which contribute to this pessimistic outlook include:

• **Renewed price erosion:** Some bellwether lumber tags are showing renewed signs of weakness—following a temporary strengthening at the turn of the

year. Douglas fir 2x4 prices, for example—based on the national average compiled by McGraw-Hill's *Engineering News-Record* (ENR)—started easing in mid-January (see chart, left).

And fir plywood prices—which broke in the first week of 1961—haven't bottomed out yet. Last week mill prices for  $\frac{5}{8}$ ",  $\frac{1}{2}$ ",  $\frac{3}{8}$ ", and  $\frac{3}{4}$ " CD interior grade plywood sheathing dropped another \$1 to \$2/msf.

• **Poor demand outlook:** The ENR Lumber Demand Indica-

tor reveals a slow demand prospect for the next few weeks at least. The indicator, which has been remarkably accurate in forecasting lumber price movements, measures the current order backlog-inventory ratio for fir lumber at West Coast mills against a long-run ratio worked out to represent "normal" demand.

### No Pickup Seen

With the order backlog more than 30% under year-ago levels, and fir inventories almost 10% higher, the Lumber Demand Indicator predicts that no pickup for lumber prices is coming in the near future.

The weak order-inventory structure in lumber has led some top industry executives—among them, Norton Clapp, president of Weyerhaeuser Company, the nation's largest lumber producer—to expect little improvement in lumber and plywood prices all through 1961, despite an anticipated increase in home building demand over last year.

### Some Optimistic

Some industry experts, however, are a little more optimistic. As one seasoned analyst explains, "Mill prices have been declining for a long time now, and I think most of the bad news—like large inventories or slow housing starts—has already been discounted. Any sustained optimism about housing demand should spark a moderate price upturn later in the year. Standard and better green fir 2x4's, for example, are approaching price lows from which they've consistently rebounded over the past 10 years."

Some lumber people also feel that Kennedy's stepped-up minimum wage (to \$1.25/hr. in two years), if it becomes law, will constitute an important cost pressure to firm up the Southern pine prices.

## Silver Seen Headed For Period of Price Instability

**Montreal**—The Canadian Stock Exchange's decision to initiate trading in silver futures is seen by metal experts here as still another indication that the metal is heading for a period of price instability.

As one informed source put it: "When prices are relatively steady—as they have been in the past few years—there's no need for futures."

The steady price, according to this spokesman, is entirely due to U.S. market intervention. The U.S. Treasury now sells to industrial users from its stockpile at the fixed price of 91 $\frac{3}{4}$ ¢ per ounce.

But there's growing concern how long the Treasury can keep this up. With consumption topping production, the government stockpile has declined some 40% in the past two years it has been reported.

Moreover, there's some indication that the stockpile depletion rate may be accelerating. It comes from latest production figures. Last year, for example, output fell 5% from 1959 levels, at a time demand was still increasing.



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## This Changing Purchasing Profession . . .

Edward L. Hughes, a former paper salesman, has been named director of purchasing for Hamilton county, Cincinnati.

Ford L. Parkes, was appointed director of purchases, Steel Improvement & Forge Co., Cleveland.

Frank Allen Cain has been promoted from assistant purchasing manager to manager-purchasing, Continental-Diamond Fibre Corp., Newark, Del.

Robert C. McAloney, assistant head of purchasing, was elevated to head of central purchasing for Coats & Clark, Inc., New York. He succeeds Carl H. Neuer, who will continue to act in an advisory capacity to the department.



F. A. CAIN R. C. McALONEY

Roger A. Hofacker, manager of the purchasing department, Montana Power Co., Butte, Mont., was made assistant manager of the engineering department. Dan H. Pyfer, superintendent of distribution design in the engineering department, takes over Hofacker's purchasing post.

E. G. Burens has been named purchasing agent, Kendale Washer & Stamping Co., Cleveland. He succeeds J. Vincent Collins, who resigned.

G. Wayne Jackson was appointed to the new post of purchasing and contracting officer for the city of Colorado Springs, Colo.

Frank M. Reinhold will retire as vice president of purchasing, Connecticut Light & Power Co., Hartford, Conn., Feb. 28, Reinhold joined the firm in 1923. His duties as purchasing agent will be taken over by Herbert W. Sears, purchasing assistant.



F. M. REINHOLD H. W. SEARS

R. H. Johnson was made supervisory buyer of steel at Delco Products Div., General Motors Corp., Dayton. H. J. Dodson and C. W. Stonebarger were named supervisory buyers of nonproductive and packaging materials and of nonferrous metals respectively.

John H. Harmon, Jr., has been assigned the new post of director of purchases, Pure Oil Co., Palatine, Ill. Don J. Wangelin, building manager of the firm's new general office building, succeeds Harmon as general purchasing agent.

James E. Rinehart joined Joslyn Stainless Steels, Fort Wayne, Ind., as purchasing agent.

He succeeds Paul Enyeart, recently named plant engineer. Rinehart had been with Paranite Wire & Cable Co., Marion, Ind.

A. C. Saul retired as manager of Shell Oil Co.'s transportation and supplies department, West Coast, San Francisco. He was responsible for the purchase, sale, and movement of Shell's supplies of crude oils and products throughout the West.

Henry J. Krebs, construction superintendent and plant man-

ager at two of Medusa Portland Cement Co.'s five plants, has been moved up to director of purchases for the Cleveland firm. Carl A. Benziger becomes purchasing agent. George E. Kleindorfer retired recently as purchasing agent after 43 years' service.

### Obituaries

Raymond E. McDermott, 65, purchasing agent for Wholesale Auto Parts Inc., Buffalo, N. Y., died Jan. 22.

Ova Glenn Jackson, 65, recently retired head of the purchasing department of American Petrofina's El Dorado, Kan., refinery, died Jan. 23.

Leo Funke, 70, purchasing agent for MacRae Brothers Construction Co., Seattle, died Jan. 24.

David Oscar Kirk, 73, who retired as purchasing agent for Sego Milk Co., Salt Lake City, in 1957, died Jan. 11.

Lloyd P. Carman, 59, purchasing agent for Roberts Filter Mfg. Co., Darby, Pa., died Jan. 19.

### P.A.'s Turn Specialists

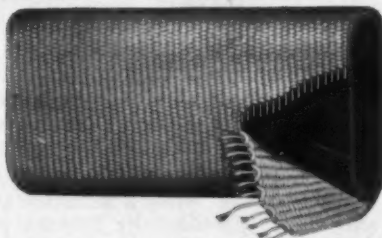
Denver—Purchasing today is a specialist's field, a former purchasing man told more than 80 members of the Purchasing Agents Assn. of Denver.

Speaking at the group's monthly meeting, William Stevenson, recently appointed Minnesota commissioner of administration, stressed that purchasing now is not only recognized for its management responsibilities but for its profit making potential.

He discussed professional development and pointed out opportunities available through NAPA programs.

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## REEL-KING FIRE HOSE



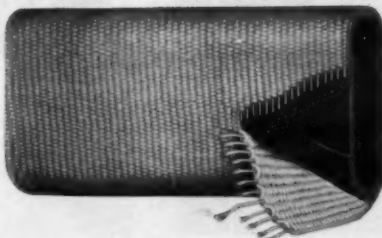
All-Polyester\* Jacket. Assures extra durability, lightness, flexibility. Excellent resistance to abrasion, mildew, chemicals.

Specifications — Construction: Circular

woven. All-Polyester single jacket. No bulk; coils in tight 16 inch diameter, hangs flat and compact. Tube: Black, seamless, Neoprene. Maximum length: 50 ft. Couplings: Expansion ring with polished swivel and satin finish bowl.

SIZE INSIDE DIAMETER	COUPLING TAIL PIECE INSIDE DIAMETER	APPROXIMATE WEIGHT POUNDS PER 50 FEET		INITIAL TEST PRESSURE PSI
UNCOUPLED	COUPLED			
1 1/2" SJ	1 1/8"	13	16	300
2 1/2" SJ	2 1/4"	23	28	300

## REEL-QUEEN FIRE HOSE



Cotton-Polyester\* Jacket. Exceptional strength without bulk. Gives long and efficient protection.

Specifications — Construction: Circular woven. Cotton-

Polyester single jacket. Coils in tight 16 inch diameter, hangs flat and compact. Tube: Black, seamless, Neoprene. Maximum length: 50 ft. Couplings: Expansion ring with polished swivel and satin finish bowl.

SIZE INSIDE DIAMETER	COUPLING TAIL PIECE INSIDE DIAMETER	APPROXIMATE WEIGHT POUNDS PER 50 FEET		INITIAL TEST PRESSURE PSI
UNCOUPLED	COUPLED			
1 1/2" SJ	1 1/8"	15	18	300
2 1/2" SJ	2 1/4"	25	31	300

\*As Dacron, a DuPont fiber

Reel-King and Reel-Queen Hose are designed to get into action fast. Ready for full, dependable service . . . with full water pressure. Light, compact, easy to use, they do not weep and can perform heavy service if desired. They are far superior to unlined hose and withstand deterioration prevalent in industrial plants.



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## P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

### The Way of a Secretary

It's no secret to anyone in the business world that a secretary's way to her boss's heart is through her skill in adapting to his personality—and that the more she knows about bosses in general, the better equipped she'll be to handle any assignment that may come her way.

To help the girls expand their horizons, Katherine S. Miller, corporate secretary of McMurtry Co., has compiled a list of the various types who occupy the executive suite.

Mrs. Miller divides problem bosses into 10 classifications listed below, and also provides a useful formula for dealing with each type:

- (1) **HUMAN DYNAMO:** Fast moving, hyperthyroid type, impatient with details, always on the move, always in a hurry.  
**This kind usually is chronically disorganized, needs someone to pick up the pieces, tie up loose ends, mop up after him. His secretary must be strong on details, able to follow through.**
- (2) **THE ALL-AMERICAN BOY:** Eagerly on the way up, using people at each step of the way, a "phony," but a very plausible one.  
**Working with him requires a sense of humor, intuition, drive, a certain amount of naivete. His secretary can offset his ruthlessness by showing great considerations and sympathy for others.**
- (3) **THE DREAMER:** Rapt in creative thinking, visionary, often out of touch with mundane things and reality.  
**He needs a level-headed secretary to take care of details and practical matters he cannot be bothered with. She keeps his feet on the ground.**
- (4) **THE METICULOUS PERFECTIONIST:** Picayunish, dogmatic, often penurious. He checks the wastebasket for carbon paper and pencil stubs.  
**His secretary must be a perfectionist, too, whose work is beyond criticism. She is speedy, economy-minded; she has the patience to listen to his tirades and to withstand constant double-checking.**

(5) **THE WOLF:** Often a real problem, but he can be controlled if dealt with firmly.

Most wolves are only trying to prove their masculinity. The wolf's secretary can humor him, build up his ego, admire his business acumen.

(6) **CASPER MILQUE-TOAST:** So timid and indecisive it's hard to know where you stand.

His secretary uses her initiative, relieves him of routine, tactfully suggests ways to solve problems. She may organize his work, subtly nag him to finish projects.

(7) **THE INADEQUATE PERSON:** Over his head on the job and fearful he will be found out. Very sensitive to criticism and ready to blame others if things go wrong.

This type wants constant reassurance of his ability. His secretary merits an Oscar for appearing helpless and dependent while taking over much of his responsibility and quietly correcting or covering up his errors.

(8) **THE SADIST:** Delights in making others uncomfortable and in hurting them.

A hard shell and a serene air aid this man's secretary. She lets his verbal abuse and meanness slide off her shoulders, spoiling the game for him.

(9) **THE AUTHORITARIAN:** He wants arbitrary authority. He always goes by the book and is always right. (Also, he is usually inadequate.)

The dogmatic boss prefers a "yes-woman," who checks every project with him, follows his instructions to the letter. Any demonstration of initiative on her part is an affront to him. Passive, diffident women suit him.

(10) **THE SARCASTIC, HOSTILE TYPE:** Can't resist controversy and allow himself to be nice to others.

He needs a secretary who is friendly and sure of herself. If she is sensitive, she learns to hide her feelings. She is smart enough to laugh at his remarks, instead of being crushed by them.

The foregoing—and a good deal more—is included in Mrs. Miller's booklet "What a Secretary Should Know About Herself," (25¢) published by Dartnell Press, 4660 Ravenswood Ave., Chicago 40, Ill.

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## PURCHASING PARADE

Personal glimpses of P.A.'s as they march by in the news



Here's one P.A. who doesn't mind the ice:

He's **Ken Spence, P.A. and Office Manager of Link Belt Co.** (Portland, Ore.), shown above while on tour in '46 with the "Holiday on Ice" cast. Spence, line captain in charge of a chorus of 80 girls and 15 men, was called on many occasions to skate in various specialty numbers.

The troupe mainly toured cities in the Eastern and Southern states, and Spence recalls that audiences in the South consisted largely of folks who had never even seen ice outside a mint julep. After a performance they would often come down to the rink just to get the feel of the cold stuff.

Spence and his wife, **Doris**, have three daughters—**Monica, Melody, and Merrilee**. Next to skating, he enjoys bowling and golf best.

Another year-round athlete is **William A. Parker**, recently promoted to P.A. of **Parker White Metal Co.** (Erie, Pa.). His specialties: boating, skin diving, pistol shooting, and bowling.

A new member of the P.A.'s Assn. of Erie, Parker became interested in skin diving two years ago when a friend asked him to try his aqua lung (he's now able to get 40 ft. below). Meantime, Parker and his friend acquired a 30-foot cruiser which they named "**Dacmar**"—a verbal cocktail of "daquiries" and "martinis".

In the railroad sector of the profession, the following have been riding the news:

• **S. R. (Sam) Secor** and his wife, **Vera**, (above) display the hand-lettered poem—the poetic history of his career—which was given to him on



his recent retirement from the **Chesapeake & Ohio Railroad**.

Secor, in the rail business since 1911, was **Chief Purchasing and Stores Officer** of the C&O for the past two years.

• Here's a **Manager of Purchases & Stores** retiring from a lifetime of service with the **Delaware & Hudson Railroad** (Albany, N. Y.) who has no reservations about his replacement.

**Raymond D. Cummings** after 48 years with the road, is being succeeded by his brother, **Al**—who's had 47 years on the line.

• Recently appointed **Assistant P.A. for the General Railway Signal Co.** (Rochester, N. Y.), **John C. Hendershott** is an accomplished do-it-yourself craftsman. He built his own home in 1950 in Rochester, a Cape Cod, in 12 months.



**What do you think of the proposed NAPA plan to upgrade purchasing by spending more than \$600,000 on professional development activities?**



**Robert Butler, purchasing agent, Golden Foundry Co. (grey iron castings), Columbus, Ind.:**

"The NAPA plan to expand professional development activities, help subsidize professorships, etc. sounds like an excellent idea with worthwhile objectives that should benefit both the profession and the business that it serves. The purchasing profession should have at least equal emphasis in our educational and business institutions with the accounting, engineering, and legal professions and it will take a program such as this to achieve it."



**J. R. McMurray, general purchasing agent, Canadian Oil Companies, Ltd., Toronto:**

"This undoubtedly will be the greatest step forward since purchasing became recognized as a specialized function of business management. The objectives of providing more facilities for self-improvement and the encouragement of young men toward making purchasing a career are fundamental to the advancement of the profession. I hope we shall soon see a similar proposal considered for Canada."



**F. M. Reinhold, vice president of purchasing, Connecticut Light & Power Co., Newington, Conn.:**

"I think it's a good idea. Any dollars spent along these lines should have the effect of elevating the status of the purchasing profession. Anything that can be done to improve the ethics of the profession is highly desirable also. The extra dues needed would be well worth it in terms of the final results."



**A. Gibbs, purchasing agent, E. T. Pybus Co. (machine shop, automotive parts, etc.), Wenatchee, Wash.:**

"I go along generally and believe if the plan is approved, it should as much as possible provide available education, workshops, district conferences, etc., for persons already in purchasing. If NAPA members can show management there will be immediate good derived, I believe management will be more receptive to financing the increased dues required."



**Walter Johnson, purchasing agent, Schultz Die Casting Co., Toledo:**

"Naturally, any course or means toward increasing the effectiveness of the purchasing function and placing it where it belongs—as a part of management—is well worth the effort and expense. There is definitely a potential of good personnel available who could be exceptional buyers and leaders in this department; however, without interest developed and higher scholastic training these people may never be met."



**F. A. Cain, manager-purchasing, Continental-Diamond Fibre Corp., Newark, Del.:**

"I feel it would be a gross waste of the association's money to subsidize college courses and scholarships for developing purchasing personnel. One can certainly get the basic requirements to become a professional purchasing man at any number of colleges. I believe the association could better invest its money in tried and proven purchasing personnel and help them improve themselves with educational programs at the local level."

## In the World of Sales

**Charles W. Kuhn** has been assigned the post of manager of the California sales and production operations, and **Paul B. Schumacher** was made assistant director of sales administration, **Spaulding Fibre Co., Inc.**, Tonawanda, N. Y.

**Ray Campbell** has been promoted to sales manager, **General Magnetic Corp.**, Detroit.

**Donald Harper** was elevated to builder products and merchandise sales manager, **Louis L. Colbert** was elevated to assistant products and merchandise sales manager, and **Edward K. Handlan**, manager of air conditioning and electric heat, assumed the added responsibility of contract sales manager, **Emerson Electric Co.**, St. Louis, Mo.

**M. E. Stanton** has been advanced to central region sales manager, **Mobile Hydraulics Div., Vickers, Inc.**, a division of **Sperry Rand Corp.**, Detroit.

**Harvey A. Craig** has been appointed assistant to the vice-president in charge of sales-corporate trade relations, **Republic Steel Corp.**, Cleveland.

**George P. Lessis** has rejoined **United Aircraft Products, Inc.**, Dayton, Ohio, as general sales manager. He had been with Baldwin-Lima-Hamilton Corp.

**C. B. Pharo, Jr.** has been named assistant general manager of sales, **Republic Sales Corp.**, Cleveland. **John Tope** succeeds him as district manager, Birmingham, Ala.

**Joseph V. Kennedy** and **James Center** have been appointed assistant sales managers, **International Electric Industries, Inc.**, Nashville, Tenn.

**Edward G. Hall** was assigned the newly created post of general commercial sales manager, **Lenkurt Electric Co., Inc.**, San Carlos, Calif.

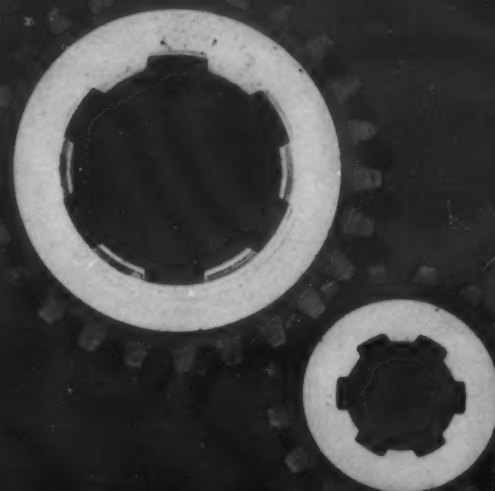
**Robert L. Baker, Jr.**, has been named sales executive, **Bemis Bro. Bag Co.**, Cleveland.

**George M. Lamb** has been advanced to sales manager, **Moore Special Tool Co.**, Bridgeport, Conn.

**Harvey A. Craig** was given the newly created post of assistant to the vice president in charge of sales-corporate trade relations, **Republic Steel Corp.**, Cleveland.

**Donald W. Farrow** has been promoted to director of sales, **Beals, McCarthy & Rogers, Inc.**, Buffalo, N. Y.

**Leonard A. Wholer** has moved up to manager of latex sales, **Firestone Synthetic Rubber & Latex Co.**, Akron.



## SOURCES OF SUPPLY

Suppliers and sub-contractors in the Northern Plains can be pinpointed quickly by the Facilities Register, a unique electronic index of production facilities. Whether yours is a problem of finding new suppliers, contracting for idle machine time, shortening lines of supply, or obtaining better quality and service:

ASK THE MAN  
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PLAINS



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SERVING THE NORTHERN PLAINS □ GENERAL OFFICES: OMAHA, NEBR.

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EXAMPLES OF SERVICE

**OVERNIGHT SERVICE**  
between . . .

CHICAGO—LOUISVILLE  
LOUISVILLE—NASHVILLE  
NASHVILLE—BIRMINGHAM  
KNOXVILLE—ATLANTA  
NASHVILLE—KNOXVILLE  
YORK—RICHMOND

**2nd MORNING DELIVERY**  
between . . .

LOUISVILLE—ATLANTA  
COLUMBUS—BIRMINGHAM  
INDIANAPOLIS—RICHMOND  
NEW YORK—ATLANTA  
CINCINNATI—CHARLOTTE  
FORT WAYNE—CHATTANOOGA



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Now Joining the North and South Lines

**SILVER FLEET**  
Managed by The Mason and Dixon Lines





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# Fort Howard Paper Company

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Purchasing Week

February 20, 1961



## Portable Closed Circuit TV Permits Easy Inspection of Inaccessible Pipes

**Chicago**—The city of Evansville, Ind., and several other Midwest municipalities have reported significant savings through the use of a closed circuit television system to examine the interior of pipes and sewers.

The system, developed by National Power Rodding Corp., utilizes a camera mounted on skids or rollers, depending on the type and diameter of the pipe being inspected. Two 600 watt photo flood lamps are mounted on the sides, and the entire device is pulled through by a steel cable, part of the normal power rodding equipment.

Harold Rudish, president of NPR Corp., said his unit allows visual inspection of pipes which previously could not be accomplished because of their small size, location, or safety factors.

Rudish said that at Evansville, city engineers felt that some parts of the municipal sewer system might be too weak to support some new road and sidewalk construction. By using the closed circuit television device, city engineers were able to determine which sections were not capable of holding up.

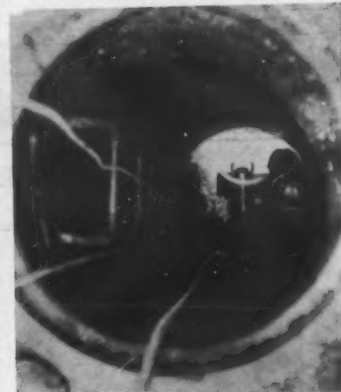
At Park Ridge, Ill., a contractor had estimated it would cost \$5,000 to replace a 300-ft. section of defective storm and

sanitary sewer lines. Inspection with the television device showed that only a 27-ft. section needed replacement, and the job was completed with city labor at a savings of more than 80%.

The camera, contained inside a stainless steel cylinder, can be pulled through pipe as small as 8-in. in diameter. National Power Rodding says it expects to put into use soon a smaller model that will be able to traverse a 4 in. dia. pipe.



**ROLL 'EM:** Stainless steel cylinder containing TV camera is mounted on rubber wheels and skids, enabling penetration of sewers as small as 8 in. dia. Two 600-watt photo flood bulbs provide all illumination.



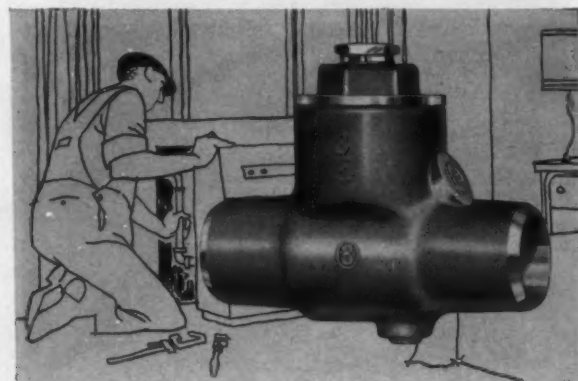
**STUDY IN DEPTH:** TV camera is pulled through sewer with power rodding gear; cables trail behind.

## O-B Valves maintain positive control...



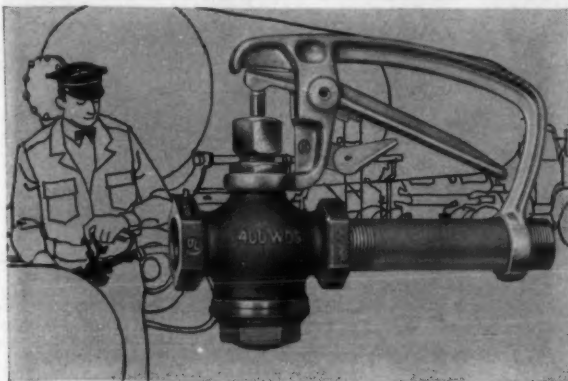
### ...in processing lines

Plants piping steam, water, gas, air and oil to production machinery find O-B valves hold up under severest demands. They're made for them. O-B bronze valves (like No. 1201 globe pictured) combine fine casting, precise machining and sound engineering to maintain positive flow control.



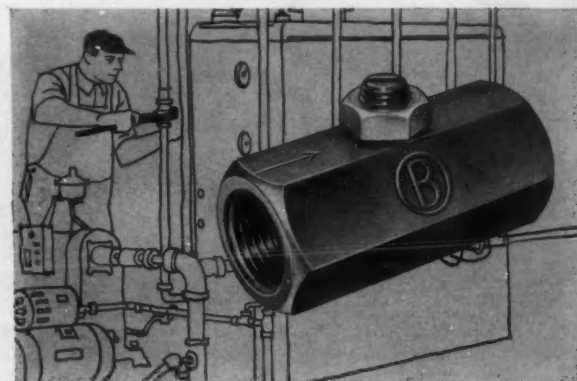
### ...in heating-cooling systems

Accurate heating, air conditioning and balancing of year 'round combination systems are assured by O-B "Equatemp" valves—used also for radiant heating. A quarter turn of stem closes valve, simplifies draining without need for refilling system. Special design discourages tampering.



### ...in LP-gas dispensing trucks

Its exclusive construction features make this UL-listed dispensing valve ideal for transferring LP-gas from tank to tank. Body is extra heavy bronze that withstands rough handling. A stainless steel spring effects tight closure and a special latch holds valve open until it's released.



### ...in oil furnace feed lines

Reliable operation of oil burning furnaces is aided by this O-B bar stock valve with needle point that maintains precise regulation of fuel. Special copper base bronze stem and disc offer excellent corrosion resistance, making this valve ideal for water and gas service as well.



Ask your distributor for the valve in the orange-and-black box

You profit most when you standardize on the O-B bronze valve line. You find the consistent quality you want—the efficient operation you rely on—and the freedom of choice you need—in valves from 1/2" to 3" sizes. Write for latest catalog information. OHIO BRASS COMPANY • Mansfield, Ohio

## Year-Long Study Urges Changes in Purchasing For State of Wisconsin

**Madison, Wis.**—Recommendations for improving the administration of state government, including numerous changes in the operations of the Bureau of Purchases, have been submitted to Gov. Gaylord Nelson by his Advisory Committee on Business Practices.

The recommendations were made after a year's study by a committee composed of state business leaders. Among the suggested changes in operations of the State Bureau of Purchases:

- Greater use of group buying in order to expand the number of commodities purchased in volume.
- Increased use of the scheduled buying technique.
- Expanded buying through the Bureau of Purchases, eliminating much of that now done by individual departments, with the exception of specialized and technical purchases.
- Standardization of purchasing forms and procedures for use by all state departments participating in the entire procurement process.
- Wider use of standard specifications available from industrial users, the federal government, other states and professional purchasing organizations, and distribution of these specifications to state departments and approved vendors who express interest in bidding for state supplies.
- Application of industrial techniques to establish a value analysis program.
- A program to inspect goods received, by use of an inspection manual and training of personnel responsible for receiving shipments at various state departments.



# Foreign Perspective

FEBRUARY 20-26

**I**nternational members of the General Agreement on Tariffs and Trade (GATT) expect to get down to serious tariff-cutting activity next month at Geneva. Preliminary negotiations have been in progress for months.

Big proposal to watch for: a British offer to cut duties by 20%, virtually across the board, in return for a Common Market offer of a 20% reduction in the common tariff gradually applied over the next 8 to 10 years as the tariff comes into full force. Britain's GATT representatives also will be arguing for more moderate approaches to proposed tariff increases by Germany, Holland, and Belgium.

All this means, of course, that return concessions will be demanded from GATT members, including the United States. Under a previous "gentlemen's agreement" formula, a 20% reduction by the six Common Market members would be balanced by an average 5% reduction in U.S. tariffs.

• • •  
**London**—Zinc prices on the London Metal Exchange took a sharp jump last week.

Major influence seemed to be belief that zinc producers would agree to output cutbacks when the lead-zinc study group meets in March. Another prime mover: the announcement by American Zinc, Lead & Smelting Co. that it would cut production 10% in the first half of 1960 over last year's levels and expectation of similar announcements by other U.S. firms.

The new LME zinc price: \$231 per ton, up from a low in early January of \$217, cash price.

• • •  
**Luxembourg**—Minimum prices for steel exports were advanced

around \$2.50 per metric ton by steel producers in the European Coal and Steel Community.

These are some of the new f.o.b. steel prices per metric ton: flat billets, \$82; sections of merchant steel, \$102-\$104; wide flanged beams, \$112-\$113; wire rods, \$107-\$110; strip, \$109; heavy plates, \$100-\$103; medium plates, \$112-\$114.

The price hikes came as Japanese steel export prices continued to slide.

• • •  
**Tokyo** — Japanese customs officials have been carrying out detailed investigations of companies exporting Japanese transistor radios to the U.S. Some exporters have been billing radios through customs at lower prices than actually paid and illegal funds may top \$10-million, say trade sources here.

Industry observers see the real villain in the fact that actual export prices to the U.S. for transistor radios are well below check prices. For example, prices are now running about 30% below the \$11 check price for six-transistor radios, or about half the domestic retail price in Japan.

• • •  
Meanwhile, Japan's Ministry of International Trade and Industry (MITI) has decided to ask Okinawa's government to curb export of transistor radio sets to the U.S. The move is aimed at three Okinawa "Electric shops" which have been assembling small units of Japanese components and exporting them to the U.S. Practice started, MITI said; when Japan's self-imposed transistor quota system went into effect last summer. According to MITI, Okinawa exported some 100,000 units in the last six months of 1960, allegedly sold in United States under American brand names.

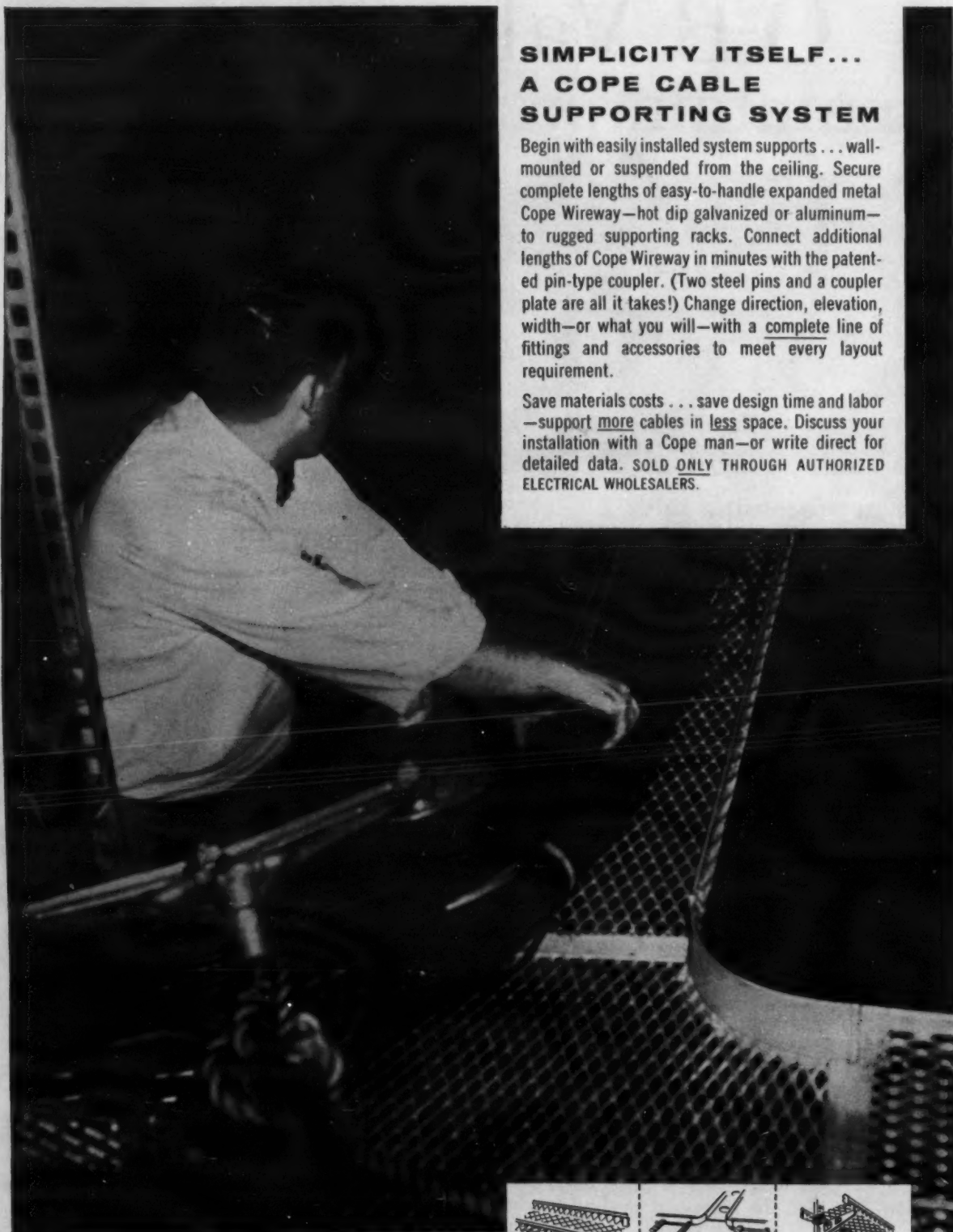
• • •  
**Washington**, — Great Lakes cities were reported deeply disturbed over the "Ship American" order issued during the Eisenhower Administration as part of the program to check the drain on U.S. Gold.

Sen. Alexander Wiley (R-Wis.) said the order hit the Lakes ports particularly because only a single United States line services the Great Lakes in contrast to vessels under 40 foreign flags.

U.S. officials who issued the "Ship American" order have agreed to hold hearings on the subject and will grant all "reasonable requests" for exemption.

• • •  
**Beirut** — Oil companies operating in the Middle East are doing more local purchasing, says Bahrain Petroleum Co. (BAPCO), production and refining company owned by the Caltex group.

• • •  
BAPCO, located on the Persian Gulf island of Bahrain, increased its own purchases in that area 42% in 1960 over 1959. The company's purchasing agent in Bahrain also cited arrangements made with local vendors to stock materials against the company's future requirements. The company's local purchases in 1960 came to \$3,174,000.



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## Foreign News in Brief

### Clupak Signs Pact

**Helsinki, Finland** — Clupak, Inc., New York, signed a leasing agreement with Enso-Gutzeit Corp., one of the world's largest paper products exporters, to make Clupak extensible paper.

This brings to 23 the total number of major domestic and foreign companies licensed to make Clupak's "controlled stretch" paper.

Enso-Gutzeit, which accounts for 10% of Finland's total pulp, paper and industrial exports, earmarks over 90% of its paper and board for the export market, including the U.S. Finnish production of Clupak extensible paper will start in the fall.

### New Division Formed

**Hamilton, Ont.** — Canadian Westinghouse Co., Ltd., has formed a turbine and generator division. The move points to a pickup in activity in the turbo-generator field in Canada.

### Fairbanks-Morse

**London** — Fairbanks-Morse & Co. will introduce a new range of small, high-speed diesel engines in the U.S. under a 20-year marketing tie-up with W. H. Dorman & Co., Ltd., Stafford, England.

The agreement will enable Fairbanks-Morse to fill a gap in its product line, now centered heavily on large opposed-piston engines. Fully-proved Dorman "L" and "Q" series engines will be available for prompt delivery, the company says.

Dorman diesel engines are already in use for generator driving throughout the mid Canada Radar Defense Line and elsewhere in Canada.

### Thor Buys Italian Firm

**Rome** — Thor Power Tool Co., Aurora, Ill., has bought sole control of Italy's largest manufacturer of air tools. The Italian firm is FIAP (Fabbrica Italiana Apparecchi Pneumatici) located in Turin, Italy.

An exchange of engineering and processing data with the

parent company is expected to triple FIAP's production in two years.

### Polymer Expands Plant

**Sarnia, Ont.** — Polymer Corp. will spend \$9-million on expansion and improvements at its plant here in 1961. In addition, \$10-million has been earmarked for a new solution polymer plant, additions to other plants, and the start of a specialty rubber plant overseas.

## Pfizer Cuts Carlot Price of Itaconic Acid-Refined

**New York** — Chas. Pfizer & Co. reduced the carlot price of itaconic acid-refined from 49½¢ to 39½¢/lb. as one of a series of moves to increase world-wide use of the heat resistant chemical.

In another move, Pfizer's foreign subsidiary, Pfizer Corp., acquired one-third interest in LIRC (Laboratori Italiani di Ricerca Chimica S.p.A.). LIRC was formed in 1956 to develop commercial applications of the chemical, which was first made available in commercial volume by Pfizer in 1955.

First LIRC products developed were two thermoplastic resins known as Dialux A and C, now being used in making plastic reflectors for automobiles. Other products based on itaconic acid now under development by LIRC include paint latices and varnishes.

Last price cut in the refined acid occurred last fall when the carlot price was brought to 49½¢. At that time, carlot prices of dimethyl itaconate and dibutyl itaconate were also cut, both from 54¢ to 39½¢/lb. The

carlot price on itaconic acid-technical was lowered from 38½¢ to 34½¢/lb. These prices remain unchanged in the latest reduction.

Pfizer says that more than 300 patents have been issued on the chemical, which is used commercially in vinyl and acrylic copolymers. Patents cover such applications as synthetic rubber-like compounds, viscosity index improvers for lubricants, paint driers, adhesives, water-resistant glass coatings, moisture-proof cellophane gum tape adhesives.



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CHICAGO-LATROBE PRODUCES A COMPLETE LINE OF DRILLS, REAMERS, END MILLS, COUNTERSINKS, COUNTERBORES, CARBIDE TIPPED TOOLS, GUN DRILLS, AND THE EXCLUSIVE C-L "LO-TORK" CHIP BREAKER DRILLS. FOR EXPERT ADVICE AND FINEST SERVICE CALL YOUR CHICAGO-LATROBE DISTRIBUTOR.

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## DRILLING TIPS YOU CAN USE

### Select the Correct Helix

The spiral flutes of a twist drill perform three functions. They bring the chips out of the hole; provides the proper rake angle at the cutting lip; permit coolants to reach the point of the drill. These actions are vital. All are affected by the helix (the angle of spiral) of the flutes. Be certain that the helix you choose is the correct one for the material being drilled.

### Regular Helix



This is the familiar style and the best helix for most general purpose shop work in steel, forgings, castings, and other ferrous materials. Where extra rigidity is required—as in portable drilling—select a regular helix drill with heavy duty construction.

### Fast Helix



In general the fast helix is selected for drilling materials of low tensile strength like aluminum, magnesium, copper, and thermoplastics. These materials produce a large volume of chips and the low angle of incline of the flutes is specially suitable for their removal. Where chip removal is slowing drilling, the fast helix may solve the problem.

### Slow Helix



This drill is generally used for materials that break up into very small or powdery chips... as occurs in drilling brass; hard rubber; thermo-setting plastics such as bakelite; fibre and plastic laminates. These drills are of light construction with wide flutes and are not usually suitable for heavy duty work.



USE  
**CHICAGO-LATROBE**  
CATALOG NUMBER  
**60**

for the most complete listings of drills of all types—plus valuable advice on their use. INCLUDES PRICES.

## Canadian Railways Speed Westbound Freight Runs

**Montreal** — Two Canadian railways have speeded up westbound freight service in the growing battle for business.

• Canadian Pacific Railway announced faster service between Montreal and points as far west as Vancouver. Freight shipped from Montreal will reach Regina the third morning after shipment, Calgary the fourth morning, Vancouver the fifth.

• Canadian National Railways inaugurated westbound service that cuts delivery time to Vancouver, Okanagan, Edmonton, Calgary, Saskatoon, and Winnipeg by 24 hours. Called the "highballer," it provides freight moving via Toronto with second-morning delivery at Winnipeg, third-morning delivery in Saskatoon and Edmonton, and fourth-day service to Calgary and Vancouver.



# P/W School for Strategists

Anyone who has ever had trouble with free-loaders can appreciate the predicament of Jack Goodhart in the first of this week's Strategy problems. But Jack found a way to minimize his losses simply by putting to practical use the Theory of Games of Strategy he had mastered in past sessions of PW's School for Strategists.

Your object in these games, prepared by PW Consultant John M. Owen, Jr., is to determine which strategy will bring about the most favorable outcome. This is done by employing new mathematical concepts, reduced here for your convenience to a quick set of visual aids.

In the Lunch Check Game involving Jack Goodhart, the payoff depends on a chance event—the toss of a coin. This introduces the concept of "expected value," about which there'll be more later.

For School for Strategists beginners, and students who want a quick refresher course, here's how Games of Strategy are played.

## SAMPLE PROBLEM

Two competing companies—Arnold Corp. and Byerson Corp.—want to bid on a contract. They are such bitter rivals that they will thwart each other at the drop of a hat; in fact, each even thinks of the other fellow's losses as his own gains. Here is their situation:

- If Arnold bids and Byerson does not, Arnold will lose \$2,000.
  - If both bid, Arnold thinks he can gain \$1,000.
  - If neither bids, Arnold thinks he's \$3,000 better off than Byerson.
  - If Byerson bids, and Arnold does not, Arnold figures he's \$2,000 ahead.
- What should Arnold do?

## HOW TO SOLVE SAMPLE PROBLEM

1. Let's concentrate on just one of the opponents for a starter—Arnold. Sort his possible moves into two logical groups: 1) What happens if he bids, and 2) what happens if he doesn't. This is what you get:

	Dollar Value of Move to Arnold
Arnold bids, Byerson doesn't.....	-\$2,000
Arnold bids, so does Byerson.....	\$1,000
Arnold doesn't bid, neither does Byerson.....	\$3,000
Arnold doesn't bid, Byerson does.....	\$2,000

2. Now put the dollar value of each move in a little box (called matrix) so you can inspect the situation visually. You want to solve it from Arnold's point of view, so write Arnold's moves at the left and Byerson's at the top like this:

	Byerson Doesn't	Byerson Bids
Arnold Bids	-\$2,000	\$1,000
Arnold Doesn't	\$3,000	\$2,000

3. Find the lowest value in each horizontal series, and the highest value in each vertical series. Here's what you get:

	Byerson Doesn't	Byerson Bids	
Arnold Bids	-\$2,000	\$1,000	-\$2,000
Arnold Doesn't	\$3,000	\$2,000	\$2,000*
	\$3,000	\$2,000*	

4. Note that the figure \$2,000—starred for visibility—is common to both horizontal and vertical series. **THIS FIGURE IS THE STRATEGIC SOLUTION TO THE PROBLEM.** To put it another way: Arnold should not bid, and Byerson should. This is the sanest settlement for both.

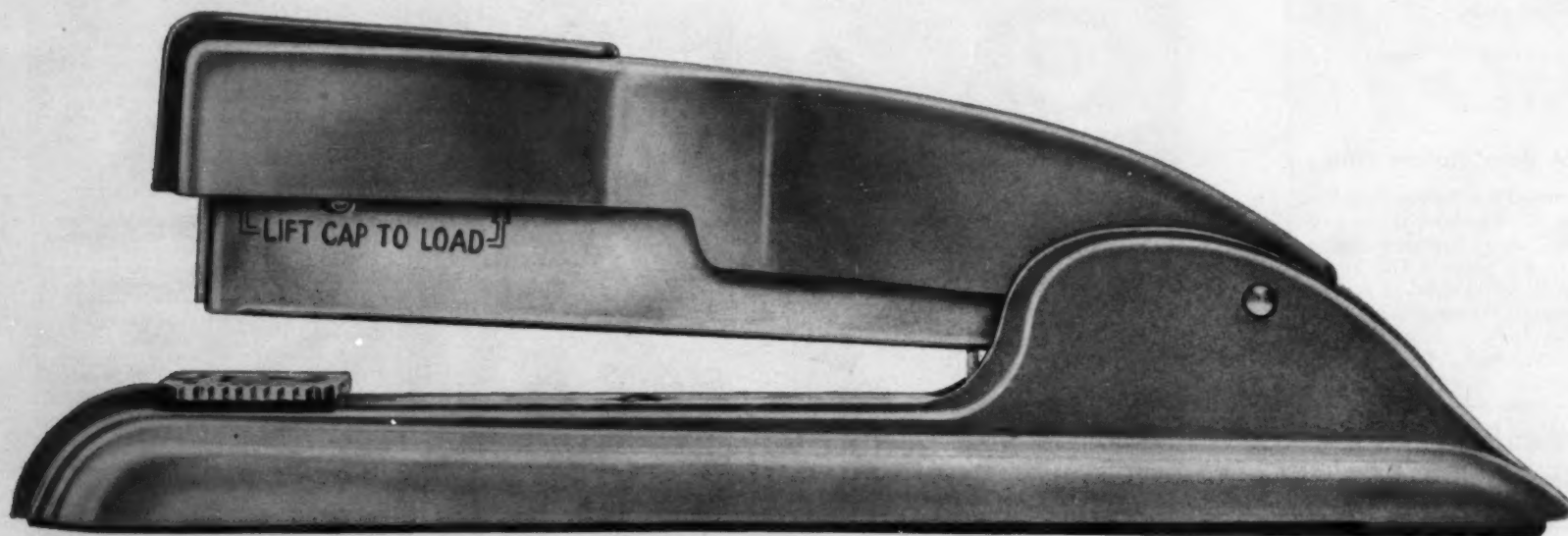
Now try the following two problems, using the above technique:

## Problem I. Lunch Check Game

Jack Goodhart is having lunch with Bertram Connmann, a notorious check-dodger, and is musing over his chances of averting what almost seems to be the inevitable—having to pay the usual \$20 freight.

It's bad enough that Bertram usually stalls when the check comes, but even when he feels obliged to go through the motions of offering to pay, he never really picks up the tab. Instead, he offers to flip for it. And long experience has convinced his luncheon mates that Bertram's coins are as loaded as his martinis.

Jack realizes the whole thing is a losing proposition, but he decides that the least he can do is minimize his losses. So he begins mapping out his strategy, and finds there are four possibilities:



The President  
of Swingline  
Shows:

How American Ingenuity Gives  
Staplers The Modern Look



Swingline No. 27

Swingline has succeeded in creating staplers that are every bit as modern in appearance as they are in performance. Thanks to Swingline research engineers and designers, these staplers help you get office work done faster and more efficiently... and look so much better while doing it. Added touch: the wonderful jewel-bright colors you can choose from. No wonder they're seen on more desks than any other brand.

## And...did you know Swingline also makes Speedpoint Staples?

The same high quality you enjoy in Swingline Staplers is yours in Speedpoint Staples. Finest for all standard office staplers, they are extra sharp for 28% easier penetration. Constructed of 100% round wire for extra strength, they hold better, won't clog, and are always perfectly aligned for trouble-free operation. Worth the few extra pennies you pay for them. Write for a complete list of Swingline Office Aids.



**Swingline INC.**, Long Island City 1, New York  
World's Largest Manufacturer of Staplers for Home and Office



1. Jack reaches for the check; Bertram offers to flip. Jack agrees, but insists on using his own coin. This gives Jack a 50-50 chance of winning.

2. Jack reaches for the check; Bertram doesn't move a muscle. Jack automatically pays.

3. Jack stalls; Bertram offers to flip, using his loaded quarter. This works three times out of five for Bertram.

4. Jack stalls; Bertram simply outstalls him. This works four times out of five for Bertram.

Now, putting the "expected value" concept to work, Jack figured what all this would amount to in dollars and cents. Since the expected value is the value of the strategy times the odds that it will happen, this is what he got:

**In Possibility 1**, Jack flips the coin. This is a fair trial, and he stands a 50% chance of paying \$20 and a 50% chance of paying nothing. If he were to make this flip often enough, Jack would find that his average cost would be \$10. On any one toss, Jack either would lose \$20 or come out even, but the long-run expected value of the toss would be —\$10.

**In Possibility 2**, of course, Jack is simply out \$20.

**In Possibility 3**, Jack would pay \$20 three-fifths of the time, and two-fifths of the time he would pay nothing. The expected value of this outcome would be  $(3/5 \times \$20) + (2/5 \times \$0) = \$12$ , or —\$12 for Jack.

**In Possibility 4**, the chances are four to one that Jack pays, and the expected value is  $(4/5 \times \$20) + (1/5 \times \$0) = \$16$ . Again this would be a minus for Jack.

Here's how the strategies look from Jack's viewpoint:

	Expected Value to Jack
Jack offers to pay, Bertram agrees to flip with Jack's coin.....	—\$10
Jack offers to pay, Bertram stalls.....	—20
Jack stalls, Bertram flips his loaded quarter.....	—12
Jack stalls, Bertram outstalls him.....	—16

Now using a matrix (per sample problem), which strategy should Jack use to minimize his losses?

(Answer on Page 19)

## Problem II. Reciprocity Game

Adam Smith, chief purchasing agent at Hightension Electric Co. has long been disturbed by a reciprocity agreement Hightension has with the Rusty Machinery Co. Rusty is a major purchaser of heavy industrial products from Hightension, and Hightension has been purchasing its gadgets from Rusty in order to retain that company's good will. However, the Rusty gadget is of an inferior grade, and Smith's purchasing record has suffered through the high percentage of rejects on this line.

Smith thinks Hightension would function much more efficiently if Purchasing were allowed to buy a good grade of gadgets elsewhere, and plans a major drive against Rusty, to be kicked off by a full-scale presentation of the facts to Hightension's top management.

Bill Mercantile, sales manager at Hightension, gets wind of Smith's scheme. Bill is anxious to avoid losing the Rusty account, because there's a good chance that a major sales campaign just getting underway will result in Rusty's accepting some of Hightension's new line of electrical apparatus. But to put this campaign across, Hightension management would have to shelve any reconsideration of reciprocity policy for at least six months.

Here's how the situation shapes up:

• If Bill Mercantile goes ahead with his sales campaign, and Adam Smith comes out against reciprocity, Hightension will continue to buy Rusty gadgets, and Smith's facts will have lost much of their potential impact. This would be a 8-point loss for Smith.

• If Smith denounces reciprocity, and Mercantile doesn't start his sales campaign, the victory would be worth plus 10 for Smith.

• If Smith restrains himself, and Mercantile launches his campaign, reciprocity would be retained, but Smith could use his presentation at some future date. This would be only a 5-point loss for Smith.

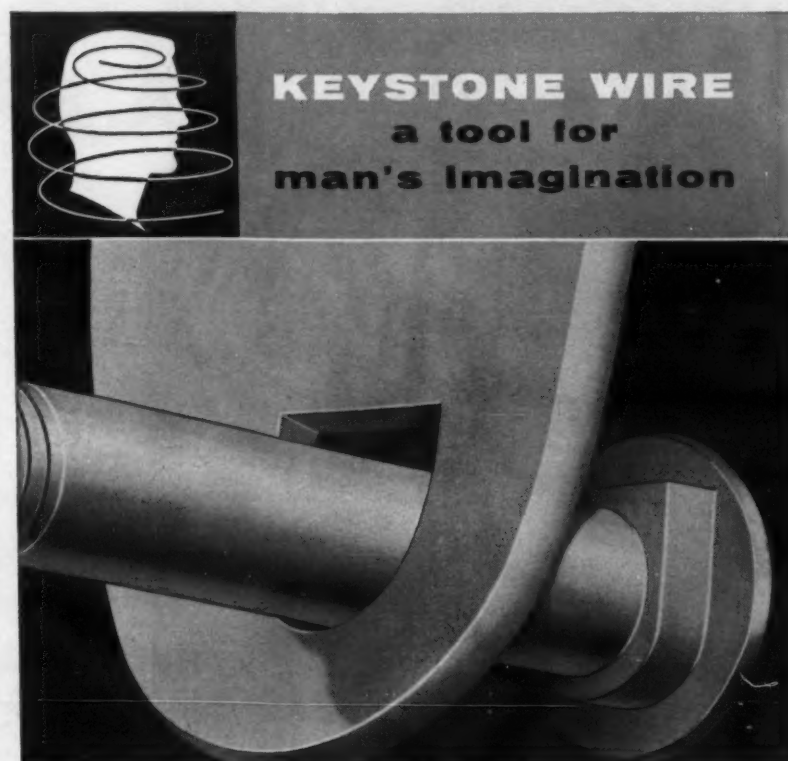
• If neither goes ahead with his campaign, there is, of course, no change in the situation, and we score zero gain or loss for Smith.

Here's how the strategies line up for Adam Smith:

	Value to Smith
Purchasing challenges reciprocity; Sales starts Rusty campaign.....	— 8
Purchasing challenges reciprocity; Sales doesn't campaign.....	+10
Purchasing doesn't challenge reciprocity; Sales starts campaign.....	— 5
Purchasing doesn't challenge reciprocity; Sales doesn't campaign.....	0

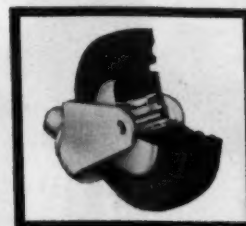
Now, what would you do as Adam Smith?

(Answer on Page 19)



How to produce a special bolt that will key into a market basket caster U-frame support.

**SOLVED!** Quality Fasteners, Inc., Kalamazoo, Michigan, call upon imaginative design and Keystone Wire to make this special bolt pictured above. It could involve expensive machining with loss of time and money. Instead, Quality Fasteners cold heads the bolt by forcing cold steel wire into dies—and does it at rates of hundreds per minute—with no waste. Quality Fasteners know the excellence of Keystone Wire and standardize on it for all their wire forming operations. They like the uniformity of Keystone Wire which permits long, continuous runs. They know it performs consistently in their wire forming machines. Keystone Wire is produced under accurate thermal conditions with correct chemical analysis. The result is wire that can be formed into an amazing variety of shapes.



**OUR SUGGESTION:** If you form intricate shapes or parts and want to improve upon them, send us the blueprints or the parts themselves. Keystone Wire Specialists will analyze them and, with no obligation, give you helpful recommendations. Let us know how we can serve you.



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**KEYSTONE**

Cold heading and forming wire for industrial uses

**JUST OFF THE PRESS!**

**NEW COLOR HORIZONS**

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**38 Page SYSTEMS MANUAL**

Over 100 actual color chips, application photos, how to prepare surfaces, technical data—it's yours **FREE** in this handy, ready-reference manual just released by Rust-Oleum Corporation. Includes information on Rust-Oleum

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## PROFESSIONAL PERSPECTIVE



CONSULTANT F. ALBERT HAYES

Interprets This Headline From PW's Feb. 6 Issue

### 'How P.A.'s Can Tell When the Price Is Right'

When PURCHASING WEEK posed the above question to P.A.'s for the article in its Feb. 6 issue, many of the answers that came back were exceedingly thoughtful and showed good practice. However, others—such as "cracking down" on suppliers and soliciting twice as many bids as in the past—might cause a raised eyebrow as to their long-term value, principally in terms of possible harm to vendor relations.

The immediate value of soliciting twice as many bids connotes that not enough had been previously sought. Some of the other illustrations prompt me to suggest that the buyers again take a look at Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, which states that if the buyer induces improper price discrimination on the part of the seller, he is equally liable with the seller.

## NEW MASSIVE MC NYLON PLATE NOW AVAILABLE!



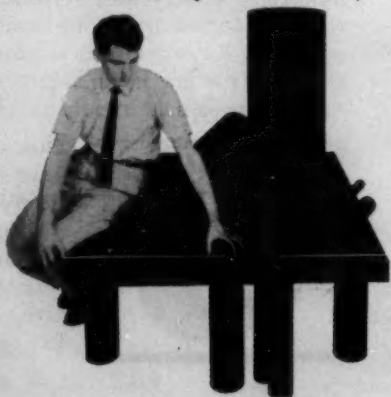
• Huge MC Nylon plate—the largest ever produced—is now available for wear plates, panels, tooling, fixtures and other applications which need nylon's unique mechanical or structural properties.

Polymer's exclusive revolutionary new processing techniques make production of large plate practical with price reductions of 15% under nylon plate presently available. Standard stock availabilities now include thicknesses from 1/2" up to 4" and in 2' by 4' sections. Availabilities to date were limited to 1 1/2" maximum thickness in 10" widths. MC Nylon now opens new design possibilities and manufacturing economies. On special order plates of over 6" thickness in sections of 4 foot widths and 10 foot lengths can be supplied.

In tubular bars, the specially formulated bearing material now costs less than continuous cast bronze bushings of similar size, with prices up to 50% below other nylons.

MC Nylon tubular bars are made in OD's from 2" to 15" with wall thicknesses of 3/8", 1/2", 3/4" and 1". Rod up to 17" diameter is also available with special larger sizes and shapes made to order. Supplied in Polypenco blue.

Call or write for full information.



industrial plastics

The Polymer Corporation  
of Pennsylvania

Reading, Pa.

Export Polypenco, Inc., Reading, Pa., U.S.A.

Purchasing departments charged with the responsibility of establishing and maintaining good vendor relations as an asset of the company are wary about so-called "cracking down" on suppliers. Such wariness, however, implies no reluctance to demand that suppliers meet legitimate competition as to all of the elements of price, quality, and delivery. Many of the illustrations emphasize the cost reducing potential of cooperation with vendors. That appears to be the normal and sensible approach to establishing the right price.

Management very properly expects its purchasing department to buy competitively. The products of a company are sold in a competitive market, and to live, purchasing departments certainly have to buy competitively.

How does management know that its purchasing practice secures the best price or the right price? That question brings up another one: What are the considerations in this term "best or right price"? While there undoubtedly is a best price for every item, there certainly is not time even in a highly organized purchasing department to determine the exact figure for every item purchased. At one extreme there are many items of low value and use which do not justify extended price study. Occasional spot checks should be adequate.

At the other extreme are the raw commodities which bulk large in the cost of sales and for which, in many cases, the daily and weekly published records are of sufficient reliability to establish the current price.

The price at the time, however, is only part of the question that management may properly ask about this class of purchases. How about the timing of the purchase and the quantity involved? These ingredients of the "right price" frequently should have as much or greater weighting than the current price at the time. Were market trends noted? The reasons thereof? Figures predicted? Was the thinking at the time made a matter of record? Good performance in the purchase of these major items is essential to the prosperity and continuance of any firm, and is the area that should get the undivided attention of expert buyers bringing their training and experience to bear on this problem of right price. I don't think sympathy for a vendor has any consideration in such determination. The vendor doesn't expect it, and if extended, it may be led to speculation as to your vulnerability to that kind of appeal.

The job of determining the right price is most difficult in the purchase of the one-shot expensive items and also the repetitive needs for fabricated components made to the design and specifications of the buyer. How can the buyers judge of the reasonableness of the prices offered for such articles and what can and should he do about the offers?

He is dependent first on competitive quotations and it is his job to secure such quotations from a sufficient number of capable firms in order to establish the fact that competition has at least been requested.

Has real competition been evidenced by a reasonable spread in the bids secured? Are they within the expected range? Is the range so great as to cause suspicion that manufacturing processes have not been well established? Is the range so small or absent that collusive bidding might be suspected? Of course that means the buyer must have had some preconceived idea of price either based on his own experience or on targets which had been calculated for him by his own cost or production departments. After such analysis it becomes a matter of exploring with the vendors the composition of their cost to the extent that they are willing to divulge.

It is completely in order for a buyer to question prices without any apologies for so doing and secure such breakdowns whenever possible. The economic price which he is trying to secure usually is a compromise. It assumes a certain minimum of suitability as established by the tolerances of the specifications and must consider the relative availability and guarantees as to quality and delivery, as well as price.

Specify...  
...end your  
delivery problems!

Why? Because D-C takes the entire responsibility for delivering your order for parts, materials, or merchandise on time and in good condition. Only D-C can offer one-carrier responsibility coast-to-coast because only D-C goes direct coast-to-coast! One-carrier handling...one-carrier control...non-stop, straight-through service all the way on D-C equipment...cuts 20% off running time...assures you on-time delivery every time!

Specify the Dependable Carrier...

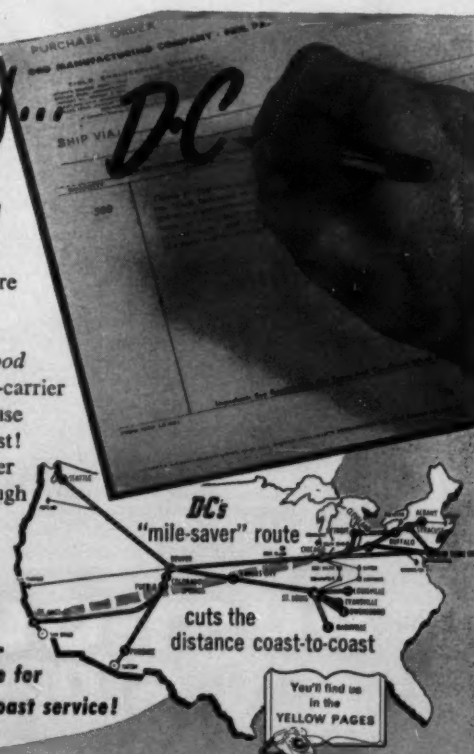
D-C...coast-to-coast choice for

coast-to-coast service!



DENVER CHICAGO TRUCKING CO., INC.

the ONLY direct coast-to-coast carrier!



You'll find us  
in the  
YELLOW PAGES



# Resale Value Doubts Cloud Compact Picture

**Detroit**—Compact cars are making big gains in the fleet car rental field, but some dealers believe continued uncertainty about their resale value could spark a reversal of the trend within the next few years.

Although customer demand remains high, some leasing companies are adopting a wait-and-see attitude. They are waiting until more facts and figures about depreciation values of small vs. standard-sized cars become available. Most leasing men agree that it will be another two years before really significant returns are in.

## Seek Stable Resale Basis

Said one leasing company executive: "We will continue to meet customer demand, but will take no big steps until we can buy compacts on a guaranteed resale basis."

The whole question of resale value came to a boil at the annual convention of the National Automobile Dealers Assn. at San Francisco, when one of the speakers forecast that the compact car vogue would come to an end within three years. Pat Hyndman, vice president and general manager of San Diego Auto Lease, based his prediction on the depreciation outlook.

"While there is some economy in gasoline," he told the convention, "depreciation could well become comparable to that of standard-sized cars. Repairs are already similar, and body shipping costs are higher for compacts."

## Psychological Factor

Hyndman also cited as another major drawback the psychological downgrading of salesmen in situations where the car is regarded as "part of (the salesmen's) compensation."

Although some auto leasing executives agreed that there was some truth in Hyndman's basic premises, there was little support for his sweeping forecast that the compacts had reached their high water mark. Most of the executives queried by PURCHASING WEEK said that demand had been increasing and that they were still upping their compact car purchases. For example:

Hertz said compacts made up 8% of its passenger car fleet in the 1960 model year, has doubled to 16% for the '61 model year.

Avis System cited 5% for the 1960 model year, 10% for the 1961 model year and said it expected this figure to double again for the 1962 model, "all predicated on the number of inquiries we are getting."

Greyhound's rental division also cited 5% for the 1960 model year, and forecast 10% for the 1961-62 period.

## Repair Complaints Examined

One leasing executive said complaints about repairs were justified in the 1960 models, "but only in the case of one manufacturer, and none of these defects shows up in the 1961 model."

These deficiencies, he said, raised havoc with the resale value of this manufacturer's cars, "which brought only \$1,200 in most cases, with a comparable make only about \$75 higher."

Leasing firms share Hyndman's

concern about the dissatisfaction of some salesmen who consider themselves "downgraded" by a compact. Where a company permits "family car" use of the vehicle, the salesmen's complaints are particularly loud, said one lease company sales manager.

## Tapering Off Seen

A survey of dealers made public at the NADA meeting lent some support to forecasts of an eventual tapering off of compact sales. Universal C.I.T. Credit Corp. said a survey of 700 deal-

ers showed that most expected compacts to capture one-third of the car market in 1960, but 40.2% said a "swing back" to standard-sized cars could be in the cards by '62 or '63.

Reasons: Some buyers of compacts "miss the comfort" of the larger cars, survey responses showed. Others said some buyers were disappointed in "the small difference" they found in price and operating economies. These dealers said they felt the preference for more powerful, roomier cars would reassert itself.

## Answers to Strategy Games on Page 17

### Answer to Problem I

Jack's best strategy is the stalling play.

	Bertram offers to flip		
Jack offers to pay	Bertram stalls	Bertram stalls	
	-10	-20	-20
Jack stalls	-12	-16	-16*
	-10	-16*	

This way he stands to lose only (on the average) \$16 instead of picking up the check for the full \$20. But no matter how he cuts it, he loses on this game, because lunching with Bertram is a losing proposition all around.

### Answer to Problem II

Smith stands to come out best if he holds off on his antireciprocity campaign until after the big sales push.

Here's what the box looks like:

	Sales starts campaign		Sales doesn't campaign		
Purchasing challenges reciprocity	Sales starts campaign	Sales doesn't campaign	Purchasing doesn't challenge	Sales starts campaign	Sales doesn't campaign
	-8	+10		-5	0
	-5*	+10			

It's unlikely that he could fall into a 10 point gain, because Sales will more than likely go on with its efforts.



## This 3¢ screw cuts costs \$24

83% saving on fasteners per compressor unit revealed by RB&W survey... substituting standard cap screws for alloy screws.

This was no case of cutting corners on fastener quality. Nor was it in any way a compromise with good engineering. It was rather a reflection of the ability of the RB&W Fastener Man to look realistically at a product, and its blueprint specifications, and know what fasteners can best do the job.

His inspection showed that alloy socket head cap screws were being used for external connections which did not require such costly steel for tight joints. Nor were they installed in tight spots or recessed holes.

Why then waste their cost? His report recommended switching to bright cap screws. Sufficient joint strength would be obtained. But instead of spending \$28.88 for 147 socket screws, the unit would take \$4.88 worth of cap screws... a saving of \$24 per unit, and pure profit!

Want to be sure you're avoiding needless costs in fastener usage, and getting the most from your fastener dollars? Ask an RB&W man to make a survey. No obligation. Contact Russell, Burdall & Ward Bolt and Nut Company, Port Chester, N. Y.



Plants at: Port Chester, N. Y.; Coraopolis, Pa.; Rock Falls, Ill.; Los Angeles, Calif. Additional sales offices at: Ardmore (Phila.), Pa.; Pittsburgh; Detroit; Chicago; Dallas; San Francisco. Sales agents at: Cleveland, Milwaukee; New Orleans; Denver, Fargo. Distributors from coast to coast.



## Industry News in Brief

### Douglas Seeks Interest

**Santa Monica, Calif.**—Douglas Aircraft Co. and Midwestern Instruments, Inc., Tulsa, Okla., are negotiating a proposal that would give Douglas a substantial interest in the Oklahoma firm through the acquisition of newly issued stock. Officials of both companies say it is likely that an agreement soon will be reached.

Midwestern is preparing several new products for the market, including a model M-3000 digital tape system.

### General Railway Equipment

**Rochester, N. Y.**—General Railway Equipment Co. has acquired a controlling interest in Cardion Electronics, Inc., Westbury, N. Y., in order to expand its capabilities in the field of electronics. A leading manufacturer of railway signal systems, General Railway also builds highway, aviation and other electronic control systems.

### Mosler-Powers Integrate

**Skokie, Ill.**—Powers Regulator Co. and Mosler Safe Co., New York City, have joined forces to integrate security systems and other monitoring devices with conventional climate control systems.

Under a recently signed sales agreement, Powers will market electronic security devices manufactured by a Mosler affiliate, Mosler Research Products, Inc. Combining the two types of systems is expected to result in lower installation costs as well as increased efficiency through centralized control.

### Stauffer Opens Plant

**Wilmington, Del.**—The new \$8-million Stauffer Chemical Co. plant, adjacent to the Tidewater Oil Co. refinery at Delaware City near here, has just begun operations.

The instrument-controlled plant, in a 100-acre site, will produce carbon disulphide, used in the manufacture of rayon and cellophane, as well as insecticides and weed killers.

### Phelps-Dodge

**New York**—Phelps Dodge Copper Products Corp. is offering increased lengths of certain pipe-type cables without a usual 15% added charge for lengthening. For example, up-to-3 in. diameter cable is now available in lengths of up to 5,000 ft. without surcharge. Previous maximum length in this diameter was 3,500 ft.

### International Buys NAF

**Philadelphia**—International Resistance Co. has entered the semiconductor field by purchasing 51% of the stock of North American Electronics, Inc. Lynn, Mass.

NAE will continue to operate as an independent company, although a majority of its boards of directors will be International men. International already produces over one-sixth of all the

resistors used in the United States.

NAE's major product lines include more than 600 types of silicon rectifiers and Zener diodes. The company has doubled its sales in each year since its founding in 1957 and expects to double them again in 1961.

### Plan Distributor System

**Homer City, Pa.**—The Semiconductor Div. of Syntron Co. plans to put into operation by

April a nationwide jobber distributor program for its full line of doubled-diffused silicon reactors. Syntron is a wholly-owned subsidiary of Link-Belt Co., Chicago.

### NSC Names Distributor

**Towson, Md.**—Valley Electronics, Inc., has been appointed exclusive distributor in the Baltimore-Washington area for the silicon transistors manufactured by National Semiconductor Corp., Danbury, Conn.

## General Dynamics Puts Emphasis On Electronics With New Division

**New York**—General Dynamics Corp. is putting more emphasis on electronics through the creation of a new division, General Dynamics/Electronics.

First project of the division will be to expand research activities in data handling, process controls and instrumentation, says Frank Pace, Jr., company chairman. Increased concentration on systems and operations research, infrared technology and information display is planned.

The new unit consolidates research, production, and sales efforts formerly spread among Stromberg-Carlson and other company divisions. The Stromberg-Carlson trade name, however, will remain on telephone equipment and commercial and consumer sound systems, although that division will be absorbed by the new unit. All other divisional products will carry the General Dynamics/Electronics label.

**PURCHASE ORDER**

VENDOR		SHIP TO	
F.O.B.		TERMS	
SHIP VIA		ORDER DATE	
PLEASE MAIL INVOICE IN DUPLICATE ON DATE OF SHIPMENT ADDRESSED TO ACCOUNTS PAYABLE		THIS ORDER IS NOT SUBJECT TO RE-NEGOTIATION UNLESS SPECIFIED BELOW T - TAXABLE E - EXEMPT	
DESCRIPTION OF MATERIAL AND/OR SERVICES TO BE SUPPLIED		VENDOR NO.	
ITEM	QUANTITY	TAX	COMMODITY
SUBJECT TO ALL THE TERMS AND CONDITIONS ON FACE AND BACK HEREOF AND ATTACHED HERETO, ALL OF WHICH ARE PART OF THIS ORDER.			
THIS ORDER IS NOT BINDING ON PURCHASER UNTIL THE ACCEPTANCE OF THIS ORDER IS IMMEDIATELY SIGNED MANUALLY BY AUTHORIZED AGENT OF SELLER AND RETURNED TO PURCHASER.			
ORIGINAL PURCHASE ORDER			



# BRIDGEPORT B





GEARED FOR ACTION: NAPA 1961 convention committee is headed by Roy F. Sielisch, Radio Industries, general chairman (seated, 4th from left).

## Agenda Takes Shape for 1961 NAPA Convention

Chicago—Plans for the 1961 NAPA convention here, June 4-7, are being mapped out by a 19-man hand picked team.

Roy F. Sielisch, director of purchases, Radio Industries, Inc., Des Plaines, Ill., and general chairman of the convention committee reports "things are developing nicely" and committee members are hard at work planning a full round of activities for P.A.'s.

The convention committee (see photo) includes:

Front row, (l-r)—L. R. Seen,

Borg & Beck Div., Borg Warner Corp., secretary and registration; J. C. Frehner, Bowman Dairy Co., national affairs; H. A. Berry, Chicago, Rock Island & Pacific Railroad Co., program chairman; R. F. Sielisch; D. L. Harwood, former president of the Chicago Assn.; H. J. Jungbluth, RT&E Corp., District 3 vice president.

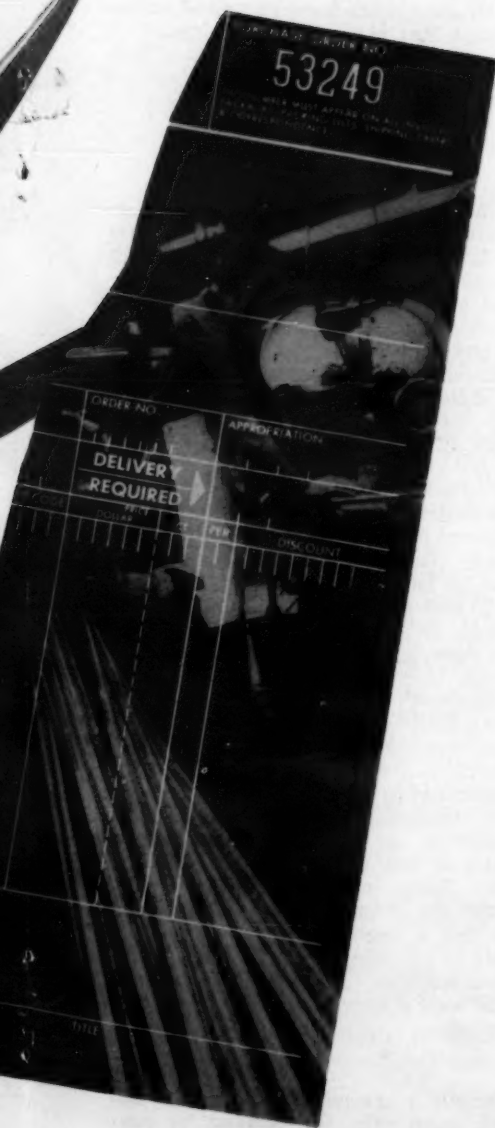
Back row—D. A. Williamson, Caspers Tin Plate Co., press and publicity committee; Walter Armstrong, American National Bank & Trust Co. of Chicago, permanent convention chairman;

G. H. Marshall, Hild Floor Machine Co., Inc., service desk chairman; Helen Waterman, Chicago Motor Club, chairman ladies' entertainment; A. E. Carney, Belden Mfg. Co., chairman Early Birds Banquet; C. R. Emert, Hotpoint Div., General Electric Co.; H. C. Kopp, Anacanda Co., entertainment chairman; R. P. Oliver, H. Kohnstamm & Co., Inc.; A. K. Kolar, Link-Belt Co., co-chairman program committee; J. M. Lajka, Alnor Instrument Co. Div., Illinois Testing Laboratories, Inc., chairman ushers; R. E. Foster, Formfit Company, press and publicity committee.

Not pictured but also on the committee are E. P. Bolen, Grif-fith Laboratories, Inc., chairman banquet; and H. T. Baker, J. H. Keeney & Co., Inc., chairman reception.

## What do you miss most in BRASS BUYING?

Emergencies or sudden non-routine requirements often run into frustrating delays in getting fast service. Small-lot buyers may not get help in alloy selection or dependable delivery information. Large volume purchasers often face "big company" inertia when special delivery or production service is urgent. Our unique "Direct Line" policy eliminates these problems because salesmen or deskmen can call our technical management or our mills directly, when necessary, for prompt authoritative answers. This fast-response service can work well for you. Call Bridgeport Brass Company, Bridgeport 2, Connecticut... offices in all principal cities.



### THINGS TO KNOW IN BRASS VALUES

**DURONZE 707 Works Hot Like Glass  
...But Cools To Strength Of Mild Steel!**

- Only moderate heat in the gas-flame range is needed to soften this unusually tough, strong and lighter bronze.
- Hot DURONZE 707 can be bent, coiled, flattened or shaped more easily than soft, ductile copper.
- Just by letting it cool, it is again as strong as many mild steels, has excellent corrosion resistance, and is easily machined.

• Send for literature.



**BRASS COMPANY** Bridgeport  
Brass has always been a modern metal!

## Teamwork Cited as Key To P.A.-Sales Relations

Wilmington, Del.—Mutual understanding of each other's problems is the prime factor in successful P.A.-salesman relations, the director of purchasing for the Gillette Safety Razor Co. told a joint meeting of the Purchasing Agents Assn. of Wilmington and the Sales Executive Club of Wilmington.

"It's a hand and glove proposition; salesmen and buyers make a team," said W. George Gress.

Gress, a former sales executive, advised P.A.'s to respect a salesman's time and not keep him waiting. It is also a buyer's responsibility when salesmen call, he added, to listen attentively and answer questions fully and honestly.

"By calling offending buyers on the carpet," he said, "we have reduced waiting periods of over 10 minutes from 40% to 17% of our visitors."

As for the sales members of his audience, Gress advised that they in turn keep appointments on schedule. The salesman, he stressed, should make his presentation brief and to the point and back it up with provable facts.

Emphasizing mutuality of interest between sales and purchasing, Gress said, "Even the qualities we seek in purchasing personnel are closely related to the traits sales managers seek in their men." He listed these as: personality, salesmanship, judgment, fairness, initiative, inquisitiveness and intelligence.

Gress singled out late deliveries or faulty materials as a factor that can greatly affect the salesman-buyer relationship. "Here is where the salesman can make or break himself," he said. If the salesman doesn't go all out to solve it, he said, it will be a long time before the buyer again has confidence and faith in the salesman or his company.

## Detroit Official Retires

Detroit—Lester G. Auberlin has retired as executive secretary of the Purchasing Agents Assn. of Detroit after 35 years' service. Auberlin, who also served as editor of the Detroit Purchasor, is succeeded in both posts by G. Ray Walton, advertising manager.



## LOS ANGELES PERSPECTIVE



**P/W STAFF CORRESPONDENT MARVIN PETAL**  
Focuses a Purchasing Spotlight  
On Industry in the Space Age

It's no secret that the electronics industry in Los Angeles is in the midst of an agonizing reappraisal of its current business posture vis a vis the military. There is a growing fear among manufacturers that they have put too many of their eggs in the Pentagon basket and thus have become too vulnerable to the vagaries of defense spending.

Experts say that anywhere from 50% to 90% of the still-young electronic industry's capacity is committed to defense orders. These estimates are imprecise, because of the existence of an unmeasurable factor—the number of sales to private industry that ultimately wind up as components in military hardware.

A few firms, with a disproportionate load of defense work, have already taken active steps to bring their business into a more healthy balance by translating their missile and space know-how into nonmilitary hardware. Hughes Aircraft, for example, recently announced it is marketing its numerically controlled MT-3,

a machine with three tool heads that can mill, bore, drill, tap, and perform other machining functions.

At about the same time, the company submitted a proposal to NASA for a communications satellite, with the provision that the satellite could be used commercially for transmitting TV broadcast and telephone signals. Hughes, which is saddled with a huge 90% defense volume, is also striving to penetrate nonmilitary markets with its semiconductors, vacuum tubes, and electronic welding equipment.

Another electronics firm, Autonetics, has embarked on a long-range program designed to shift defense emphasis from the present 90% to 60% within the next 10 years. In line with this new policy, Autonetics has begun marketing a number of new industrial products, among them: NAVAPI—a precision voltage and phase comparator with an in-phase error of less than 0.1% and a resolution reading accuracy in phase of 0.008% of maximum range; RECOMP 111—a low-cost small digital computer that weighs only 250 lb. measures 30x30x60 in., and has the same 4,096 word storage capacity as the firm's RECOMP 11, although it leases for about half the price; and NIFTE—neon indicating flash test equipment, which will instantly point up mislocation or errors in from two to 18,000 wires without requiring any programming.

Aeronutronic Div. of Ford Motor Co. is applying its space age talents in an effort to upgrade automotive equipment. Advanced products for improved ignition systems and vehicle instrumentation have already undergone tests in a bumper to bumper study.

Space Technology Laboratories, once strictly dependent on government R&D spending, will enter the industrial field next month with the launching of a new products division. For a modest starter,

STL will offer two laboratory devices, which it describes as the "world's fastest camera" and the "world's most accurate clock." The high-speed camera is an electronic device capable of photographing luminous transient phenomena including shock waves, explosions, and electrical discharges. Primary markets will be firms engaged in plasma physics and hypervelocity research. The "clock" differs from other frequency standard devices in that it uses rubidium instead of a crystal in the oscillator circuit. Both products will be unveiled at the Institute of Radio Engineers Show in New York on Mar. 20-23.

The drive to switch from military to industrial markets is well-timed, because the military electronics business, which accounts for from 75% to 50% of the total electronic sales in Southern California, is expected to slow down its hyperthyroid growth rate this year. Despite this outlook, however, the electronics industry is expected to become the biggest employer in Los Angeles, a title which it will take over from the hard-pressed aircraft industry.

Cutbacks in the latter industry are contributing appreciably to the unemployment totals throughout Southern California. The downtrend has cut employment at Douglas Aircraft, for example, by 23,000 over the past 14 months and slowed DC-8 production down to a slim four a month at the Long Beach plant.

However, President Kennedy's State of the Union message gave some of the airframe makers a glimmer of hope. References to the need for immediate procurement of improved military transports gave encouragement that existing jet production at Douglas, Convair, and Lockheed may get a needed shot in the arm. Some industry observers interpreted the President's statement as a sign that a new logistic transport, currently in bid preparation by most of the major Southern California aircraft firms, might soon emerge as a full-fledged crash program.

Despite a general swelling of the unemployment rolls, the demand for purchasing people seems to be holding up. Salaries are about the same as last year, but employers are seeking more for their money. Starting pay ranges from \$375 a month for a trainee, to \$450 for a junior buyer, to \$800 for a purchasing agent—up to \$1,200 for a purchasing director.

Most P.A. salaries, however, fall into the \$600 to \$700 a month bracket. Typical minimum requirements for these middle range jobs: five years experience; two

(Continued on next page)

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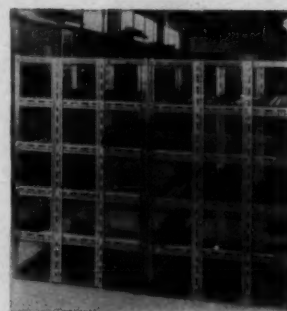
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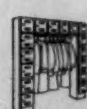
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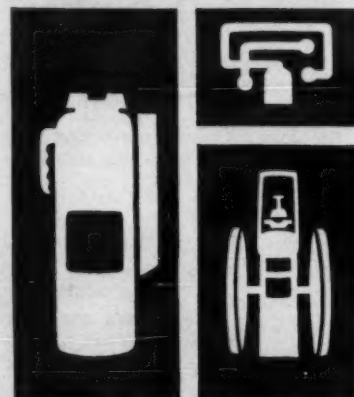
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## Profitable Reading for P.A.'s

### New Books

**Managerial Performance Standards**, by Virgil K. Rowland. Published by American Management Assn., 1515 Broadway, New York, N. Y., 192 pages. Price: \$5.25.

This AMA handbook describes a technique for setting up managerial performance standards and focuses on the dynamic relationship between a manager, his subordinates, and his superior. As the book is designed to help people start using a technique, it shows the kinds of lists and standards most beginners will produce and provides a step-by-step plan. The author analyzes actual transcripts of standard-setting sessions and includes a thoroughgoing discussion of every level of management.

### Los Angeles Perspective

(Continued from page 22)  
years of college; proven ability to develop sources; knowledge of ASPR regulations, military specs, and redetermination and incentive contracts; and ability to read blueprints.

1961 will be a year of transition in military electronics, according to John H. Richardson, vice president of marketing for Hughes Aircraft Co. For one thing, he says, there will be an increased emphasis on professional marketing. "No longer can manufacturing and engineering excellence carry the day," he observes, "in spite of poorly conceived and executed marketing practices."

"The customer has had to upgrade his source selection procedures because of the rapid advance of technology. That is, more information and knowledge is needed in a proposal to assure that the best technical approach, team effort, and management competence is selected," he noted.

Make-or-buy decisions, he said, have to be made far in advance of submitting a proposal. This calls for an unprecedented team effort both within the company and with potential subcontractors. Previously, he pointed out, in preparing a proposal little more had to be considered than existing knowledge about the capabilities of established vendors. In the present competitive scramble, however, thoroughly detailed estimates are demanded.

Richardson cited a current proposal for a space project in which purchasing, manufacturing, engineering, and other key departments were called together almost two years ago to evaluate the feasibility of submitting a bid. This was followed by a nationwide search for other necessary capabilities—and the formation of a team of five major companies headed by Hughes Aircraft.

All of this preparation may or may not pay off in the form of a contract, but without such long range planning and investment of time and money, the chances of winning a major award are virtually nil, Richardson contends. Not only is careful preparation and analysis imperative, he insists, but the nature of the business demands a team effort.

**Industrial Psychology**, by B. von Haller Gilmer. Published by McGraw-Hill Publishing Co., 330 W. 42nd St., New York 36, N. Y., 511 pages. Price: \$7.50.

This integrated study of the applications of psychology in industry covers areas never before included in a work of this kind. It includes sections on the history of industrial psychology, business operating procedures, organizational theory, etc. Moreover, the latest research findings are applied to selection, training, leadership, labor-management re-

lations, personal adjustments, etc.

Fifteen specialists, working with the senior author in preparation of this text, based their information on a review of some 15,000 publications in the various areas covered.

### From the Manufacturers Malleable Iron Castings

Guide lines for purchasing the different types of malleable cast-

ings are presented in chapters devoted to the mechanical properties of ferritic malleable, alloyed malleable, and the pearlitics.

A chapter on the design of malleable castings is geared to help purchasing agents gain an understanding of the process and the inherent advantages of placing the metal exactly where it is needed. Included are ten representative case histories that illustrate each operation in the processing sequence. More than 40 typical applications are covered. This handbook, is priced at \$10, is available from Malleable Founders Society, 781 Union Commerce Building, Cleveland 14, Ohio.

### Silicone Coatings

Discusses various applications of silicone release coatings as well as chemistry of these materials. Contains over 20 photographs, tables, and charts. CDS-270 (16 pages). Silicone Products Dept., General Electric Co., Waterford, N. Y.

### Industrial Water Heating

Gives specifications and illustrations of all A. O. Smith industrial water heaters. Includes complete sizing data, plus installation and application information. Manual CH-110 (100 pages). Permaglas Div., A. O. Smith Corp., Kankakee, Ill.

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# READER QUESTIONS AND COMMENT ABOUT ECONOMIC ORDER VALUE

*P/W's 'How to Order Scientifically' Study  
Stimulates Sharp Examination of EOVS Topic;  
Copies of Booklet Still Available (See Coupon)*

## EOV Formula

Oak Ridge, Tenn.

We understand the tables shown in your recent article, "How You Can Order Scientifically," have been computed only to the \$6 order cost by 2% carrying charge. Could you supply us with the necessary formula and other information to develop our own tables on the basis of \$11 by 2%?

W. J. Boyd

Purchasing Division Library  
Union Carbide Nuclear Co.

- The correct EOVS with an order cost of \$11 and 2% per month carrying charge is:

$$EOV = 33.2 \sqrt{C}$$

"C" in the formula above stands for the monthly use of the item expressed in dollars.

For example, if you used \$500 of some item per month, the correct order size would be \$743, worked out this way:

$$EOV = 33.2 \sqrt{\$500} = \$743$$

Understandably, the formula above will not show any penalties that you might incur by ordering either above or below the ideal order size. If you want to find out what these penalties would be, however, here is what you do:

1. Work up a list of hypothetical order sizes which would cover a fairly wide range.
2. You now can compute a penalty for your range of possible figures by using this formula:

$$P = \frac{(R)(C)}{Q} + \frac{(A)(Q)}{2} - \sqrt{2RAC}$$

The letters in the equation above stand for the following:

"P" = Penalty per month in dollars.

"C" = Use of item per month in dollars.

"R" = Marginal order cost in dollars.

"A" = Carrying cost per month expressed in a decimal fraction (such as .02 or .01, etc.).

"Q" = Quantity order in dollars.

If you wish to work out penalties tables, however, you will find that this can be done most efficiently and correctly only by using a computer—or at least a lot of work with a slide rule.

## More on Formulas

Richmond, Va.

In order to sell an EOVS program to other departments and other people who are involved, I have to know a little more about how you developed these charts. There is no indication in your article of the formula that you used or the method by which you developed these figures. I realize that perhaps this is a little complicated, but I

would appreciate anything you could give me along these lines.

Another point that bothers me is the tremendous frequency with which one must place an order in order to properly follow these tables. For example, assume that the order cost is \$3 and the carrying charge is 1½% per month and our monthly usage is \$500. According to the chart the correct purchase quantity is \$300, which means that we must write a new order every 2½ weeks. Perhaps I am bothered by too many preconceived ideas about the uselessness of such frequent ordering, but with thousands of items in each plant storeroom, it would seem to me that ordering with such frequency could not help but develop a tremendous paper mill.

G. H. Pearsall

Purchasing Agent  
Reynolds Metals Co.

- First of all, you readily can find the EOVS size by using this formula:

$$EOV = \sqrt{\frac{2RC}{A}}$$

Next, you can find the penalties by using the formula we gave Mr. Boyd of Union Carbide Nuclear Corp. in the letter above. (This explanation also shows what the various letter-symbols mean.)

Meanwhile we caution you that EOVS should not be used for low value items, low-order frequency such as usually make up a large number of the items in the plant storeroom. A good way to judge EOVS is to work up a table like this:

Item	Monthly Usage	Your Usual Order Quantity	Proper EOVS	Penalty Per Month For Not Using EOVS
1				
2				
3				
4				
5				
Total (How much you can save per month on just five items).				

This will help you decide whether you are ordering too infrequently (and thus incurring excessive carrying charges) or to frequently (and incurring excessive order costs). Hold up your judgment about the paper mill until you have made a thorough study of the costs.

## Marginal Order Costs

Chattanooga, Tenn.

We do not quite follow the way you figure marginal order costs in your EOVS pamphlet, unless it applied to a very large department. Further, we can't see why the marginal cost of issuing one additional order would ever be in the \$3 to \$8 area, unless a lot of overtime is involved. Neither do we understand why salaries would enter into marginal costs, unless a buyer's salary is related to the number of orders issued.

Perhaps you are thinking of a very large organization where people are hired and fired due to fluctuations in the quantity of orders. In our purchasing department besides myself there are two girls plus one buyer. We issue 11,000 orders per

year. Changing this by 1,600 last year did not affect salaries in this department or any other department. No overtime is involved. Therefore, we have been using 45¢ as marginal costs, since as far as we can see paper costs and communication costs are the only thing saved. Can you help us on this?

J. H. McDowell, Jr.

Vice Chairman  
Dixie Mercery Co.

- Large companies that have studied EOVS use marginal costs varying from \$5 to \$10. One letter to PURCHASING WEEK stated their need for a table calculated on a marginal order cost of \$11. The lowest example brought to our notice is \$4.28. P/W recognized the probable needs of smaller companies by setting up tables in the range of \$2 to \$6 order cost. This would furnish adequate coverage for most firms.

An EOVS study may show that your practices are on the button or it may prove that too few or too many orders are being placed. If the adoption of EOVS results in reduced number of orders, there surely is going to be more time made available to your buyers. This may not allow the elimination of personnel, but it certainly releases time to do a better job. Surely that time saved is a proper component of the marginal cost of an order. Most purchasing departments claim to be understaffed and crowded for time. The determination of time saved and what to do with it is the problem of each individual firm that explores the subject of EOVS.

## Quantity Discounts

Bartlesville, Okla.

Using the example you set out in the EOVS article (\$200 monthly usage) points to \$300 as the best purchase quantity in that particular item.

Supposing by purchasing twice that amount you would receive an additional 10% or even 20% quantity discount? Based on your calculating practices, what would be the proper ordering quantity? Would it remain the same or would it change?

Jack Loveland

Director of Purchases  
Reda Pump Co.

- There is a special chapter in the instructions on page 9 that will help answer your question. You will find that on an item with a monthly usage of \$200 you very definitely should take a 10% discount for placing a \$400 order—as opposed to the \$300 order (without discount) you normally would use under EOVS. Reason: The penalty for exceeding your EOVS order would be only \$2, whereas your discount would be \$40. Because of this enormous advantage in favor of the discount, by all means take the discount.

In a nutshell: If the discount is bigger than the penalty for overbuying, take the discount.

(Continued on next page)



## What Is an Order?

Columbus, Ind.

In using the tables published in PURCHASING WEEK, several questions came up. First one is: What is an order?

For some parts, we will place one order to cover weekly deliveries over a period of from three to six months. Should the "order size" be the individual dollar amount on any individual week's delivery? We place one order to cover weekly deliveries over a six-month period, with the understanding that the weekly deliveries are to continue and are firm unless notification is given a month ahead of time. That is to say, we are firmly committed on any orders to be delivered within 30 days. Of course, here we get into the problem of rescheduling, but reschedules can be considered as merely another order.

I would assume that "order" means the dollar amount to be received at any one time. In this case, however, the marginal costs of the purchasing department are not necessarily applicable. There will be marginal costs in receiving, inspection, accounts payable, etc. But the marginal costs attributable to purchasing would be less than with the average original order. I would say less, because the possibility of rejections involving buyer's time and tight delivery schedules will still incur some cost in purchasing. A workable compromise might be to use half the incremental cost of purchasing added to the original marginal cost data from other areas of the company that would have been affected if one order for one shipment had been placed.

Another problem that came up in using the table is when the monthly usage column in the tables does not go high enough in terms of dollars to compare discounts (in the form of freight savings) with smaller orders.

If you have time to consider it, I would appreciate your comments on the following example:

Marginal order costs are calculated at \$6.00 each. Carrying charges are 1½% per month. Monthly usage is \$3,500 with a 3% discount (freight) in quantities of four months' supply (\$14,000). From the tables on page 23 of PURCHASING WEEK, Jan. 23, 1961, the correct purchase would be \$2,000. The 3% freight discount would mean a savings of \$420 on purchase of four months' supply. Assuming the penalty for overbuying increases at a rate of \$7 per thousand, I would use a total monthly penalty of \$81. I arrived at this by taking a midpoint between the monthly usage of \$3,000 and \$4,000 as a \$53 penalty. This penalty increases at the rate of \$7 per thousand, so \$14,000 purchase quantity would mean a penalty of \$53 plus \$28 or \$81.

This total penalty of \$324 is less than the \$420 freight discount, therefore, the discount should be taken.

The item I have been evaluating is relatively expensive related to its weight. For many items such as iron and steel castings, freight becomes much more important. I was very happy to see your treatment of freight costs, and savings in terms of calculating the savings against the penalty for overbuying.

I have one other question: I do not understand the difference between Item No. 1 and Item No. 10 on page 17 of the Jan. 16 issue. In figuring carrying charges, should not either "interest on investment" or "use of money elsewhere" be used, but not both? If money can be borrowed, then the rate at which it is being borrowed should be used in the interest figure. If it cannot be borrowed, and a greater return could be obtained by employing it elsewhere, then this rate of return should be used.

W. R. C. Smith  
Traffic Manager

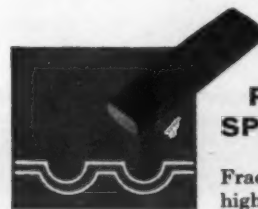
• You are correct in your definition of an order. The receipt of goods billed as a separate shipment (which may be part of a blanket order covering larger quantities) constitutes an order, or a release against an order. They are the same for EOY purposes.

However, if the total amount of the blanket order is billed at one time, it is on the buyer's inventory building up carrying charges, even if the orders are spaced at successive times to cover the whole amount. To avoid this,

have your blanket orders spaced and billed separately covering each delivery. Then each delivery is an order. On your other points: You may use the formula (see page 24) to calculate a higher range of EOY penalties. And you may approximate midpoints between the monthly usage figures, as you have done in the example. Of course, you would take the discount. There is justification including both cost of borrowed money and the alternate use of money. They are two different costs. Borrowing

costs are interest charges you pay to banks, bondholders, and other sources of cash. Use of money elsewhere refers to the return on investment you could make if you put the funds into another investment (a machine tool, or new plant) instead of inventory. This ranges from 10% to 15% in most manufacturing firms, with some quoting as high as 30%. Usually these alternate investments are a lot more attractive than inventory—a good argument for keeping inventory at proper levels with EOY.

## PORTABLE "SERVICE CENTER" sparks new ideas and savings



### KIT SUGGESTS PROFITABLE SPEC CHANGE

Fractures and rejects were extremely high for a manufacturer cold forming two severe bends in flat, hot rolled bars. A Ryerson specialist examined the ¾" x 2" bar stock and compared it with a sample of M-1020 flattened round bar from his "Metalogikit." He explained how controlled carbon of Ryerson M-1020 bar would produce great cost-saving advantages in this operation over hot rolled, mild steel. After specs were changed to this Ryerson-supplied bar, fractures and rejects were substantially reduced—bringing new profitability.



### NEW ANGLES FOR CUTTING COSTS

In making chairs, a furniture manufacturer was using rolled aluminum angles in 6061-T6 alloy where strength was not an important factor. A Ryerson aluminum specialist recommended using extruded angles in 6063-T5. Using a sample from his "Metalogikit," he pointed out that this angle would provide all the strength needed in the application, is more easily formed and has a better finish. The change in material was made—cutting costs 15¢ per unit produced.



### STAINLESS FROM KIT LEADS TO SAVINGS

This company had an emergency requirement for stainless sheets. Application had always called for Type 304, 16 ga. x 66" x 81", polished on one side. Their Ryerson specialist questioned the need for polishing. From his "Metalogikit," he showed them a sample of 304 with a 2B finish. The company readily agreed it was exactly the finish needed without polishing—saving delivery time and material cost. The Ryerson man further suggested 16 ga. x 72" x 144", using the cutoff pieces for another job—reducing scrap waste on both requirements. Order was placed and delivered in plenty of time. Over-all result: a substantial saving.




### KIT SPOTS SAVINGS

Scratches and grooves normal to cold drawn, seamless tubing caused high manufacturing costs for a company making small, light-wall hydraulic cylinders. The small I.D. had to be honed to eliminate these faults—often too much metal was removed for proper piston fit. A Ryerson specialist suggested a switch to welded tubing. Using a sample from his "Metalogikit," he pointed out the better finish that eliminates expensive honing. The switch was made with these results: higher production, low reject rate, improved product, lower purchase price per foot of tubing.

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# ICC Asks Penalties for Trucker Overcharges

Washington — the Interstate Commerce Commission has asked Congress to make common carrier truckers and freight forwarders liable for payment of reparations to shippers who are charged unreasonable rates.

The commission, in its 74th annual report, notes that shippers using for-hire motor carriers and forwarders now have no redress either before the ICC or the courts for the recovery of unlawful charges on past shipments.

Reparations can be sought from railroads and water carriers, but a Supreme Court decision in May, 1959, knocked out any remedy in the case of rate violations by truckers and freight forwarders.

ICC's report contained 14 legislative recommendations, six of which are new and eight of which are repeats from previous annual reports.

Among the major recommendations were these:

- Congressional action spelling out more positively the commission's authority to regulate the safety of operations of company-owned private truck fleets and other private motor carriers. This authority was clouded by a recent federal court decision.

- The granting of additional authority for the commission to delegate decision-making in transportation cases to employee boards except in cases of major importance. The aim is to speed up the agency's work and free the 11 commissioners from the burden of considering thousands of cases of a relatively routine nature.

- Power for the commission to deny, revoke or suspend motor carrier operating rights if they are used in committing a felony or if

perjury is committed in applying for the rights. This is an outgrowth of a Congressional subcommittee's charge that the ICC had been lax in allowing known criminals to enter the trucking business.

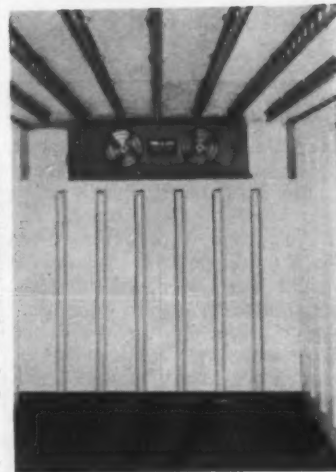
The commission again asked Congress, as it has every year since 1958, to bring more water carriers under government regulation by repealing the so-called dry bulk commodity exemption. Because of this exemption, only about 10% of domestic water transportation, on a tonnage

basis, is subject to ICC regulation.

The commission said this "is incompatible with the public interest in reasonable and stable regulated rates . . . puts regulated carriers at a distinct competitive disadvantage . . . and subjects shippers and localities to discriminatory practices."

The ICC also renewed a five-year-old plea that it be allowed to fix railroad car per diem rates at a level which would provide an economic incentive to carriers to maintain adequate cars.

**SPACE SAVER:** Evaporator unit, only 13 in. deep, is part of the first refrigeration system manufactured by Worthington Corp., Harrison, N. J., for the transportation field. Lightweight and shock-resistant, the TDU-800 system is designed especially for highway and railroad piggyback trailer operations. It includes a 350-lb. evaporator unit (shown above) and a 1050-lb. condenser unit mounted under the trailer. The system can maintain a precise temperature at any level between -10 F and +75 F.



## Olympic-Griffiths Urges Containerized Shipments On Pacific Coastal Runs

Seattle, Wash. — Containerized shipments in the Pacific coastwise trade are proposed in an application filed with the Federal Maritime Board by Olympic-Griffiths Lines, Inc., with headquarters here.

The application asks for assistance in the construction of two container ships, each of which would make a weekly round trip from Seattle to Los Angeles with a stop at San Francisco.

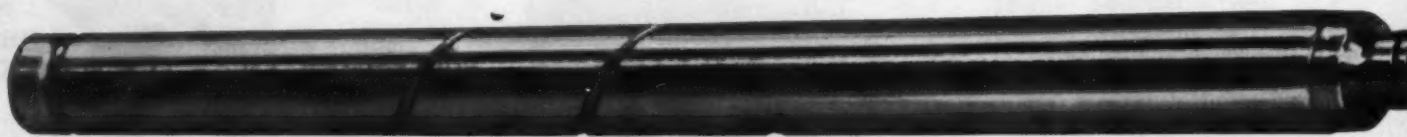
Each ship would be fully containerized, with a capacity of 200 containers of 8 x 8 x 20 ft. size and 75 automobiles. Rates would be on the basis of door-to-door pickup and delivery.

## Flying Tiger Adds Two East-West Cargo Flights

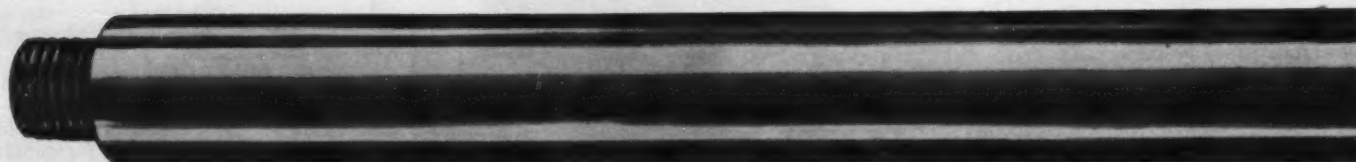
Burbank, Calif. — Flying Tiger Line is adding two new flights to its freight schedule to provide quicker service for New York and Boston area customers.

One is a flight from San Francisco to New York's Idlewild Airport via Los Angeles. The airline already operates into Newark Airport.

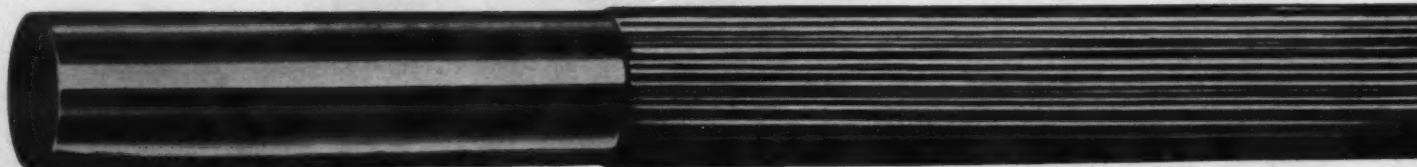
The other will provide daily all-cargo flights arriving in Boston at 12:50 P.M. from San Francisco and Los Angeles.



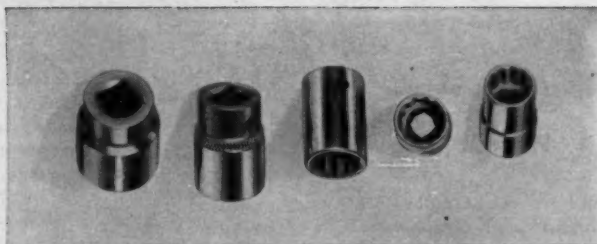
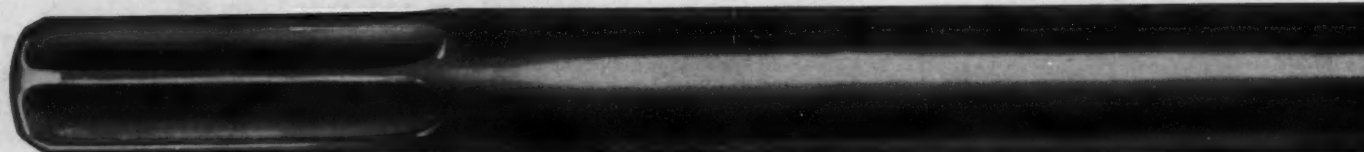
CENTURY SERIES C-1144 for highly machined parts.



CENTURY SERIES C-1141 and C-1151 for moderately machined parts.



CENTURY SERIES C-1050 and C-1045 for parts where machinability is a minor factor.



**WRENCH SOCKETS**, made by Herbrand Division of The Bingham-Herbrand Corporation, Fremont, Ohio, illustrate the kind of application where the superior strength, toughness, and machinability of Republic Cold Finished Alloy Bars help produce a better product at lower cost.

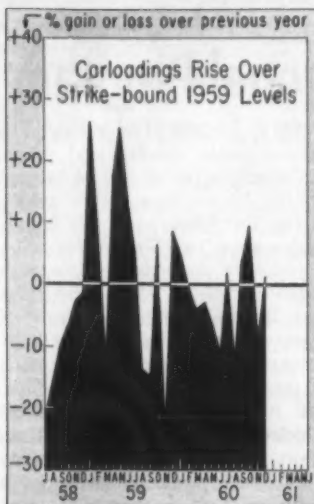
Bars are formed, drilled, and cut off in an automatic screw machine, then hot broached to shape internal dimensions. Final stages of socket production include heat treat and chrome plating. Mail coupon for more data on Republic Alloy Bars.



**ROTOR BUCKETS** for Mechanical Drive Turbines manufactured by Elliot Co., Jeanette, Pa., are produced from Republic Stainless Steel Special Sections . . . an excellent example of how Republic Special Sections save money on tough-to-make parts.

User benefits include: simplified machining, corrosion and abrasion resistance, greater strength and hardness, smooth surfaces that reduce or eliminate finishing operations. Available in a wide range of sizes and contours . . . carbon, alloy, stainless steel, and titanium. Send coupon.





## P/W TRANSPORTATION MEMOS

**MOTOR CARRIERS REPARATION ASKED:** Congress will take a fresh look at legislation to provide recovery of unlawful freight charges from common carrier truckers and freight forwarders. A bill introduced by Senator Warren Magnuson (D-Wash.) would provide shippers with recovery provisions similar to those which now apply to railroads and domestic water lines.

The bill was introduced at the request of the General Services Administration and the General Accounting Office who claim that shippers are without legal means to recover unlawful motor carrier charges—i.e., those cited in tariffs but contrary to ICC rules. Similar legislation has been sponsored by the ICC previously without success.

TRANSPORTATION DEPT. PROS AND CONS: Sen. Clif-

ford P. Case (R-N.J.) has introduced a bill to establish a Cabinet-level Dept. of Transportation. Co-sponsors: New York Republicans Jacob K. Javits and Kenneth B. Keating.

At the same time, opposition to the department, as proposed by James H. Landis, special assistant to the President, came from Commerce Secy. Luther H. Hodges. Citing the added cost to government of a separate agency, Hodges said he preferred to have the transportation function remain under the wing of the Commerce Dept.

**DEMURRAGE FORECAST BRIGHTENS:** Massive shipper opposition may have spiked proposals by railroads to increase demurrage charges and change demurrage rules.

Members of the Trans-Missouri-Kansas Shippers Board were given this assurance by D. A. Baumgartner, Santa Fe Railways general superintendent of transportation. The proposal, submitted by the Assn. of American Railroads General Committee late last year, sought to increase demurrage charges after free time from the present \$4 per day for the first four days and \$8 thereafter to \$6 and \$12, respectively.

### TEAMSTER BONFIRES:

James R. Hoffa told the American Trucking Assn. that there will be "war" over the ATA's call for compulsory arbitration of the industry's labor problems. He countered with a threat to push for legislation that would bring trucking under the 40-hour work week wage-hour law. Western Conference of Teamsters said it would strike if necessary to protect its jurisdiction over West Coast docks. Threat grew out of recently negotiated contract between ILWU and Pacific Maritime Assn. which gave employers greater authority over multiple-handling activities. The Teamster statement came at a time when rumors are intensifying that Teamsters will merge with Harry Bridges' ILWU, but it did not indicate an open split over the issue... Meanwhile, approximately 40,000 Teamsters in 11 Western states received pay boosts of 2¢/hr. and 1½¢/mile as a result of cost-of-living escalator clauses negotiated in the three-year Western Master Freight Agreement in 1958.

### SOFTENING TOWARD KENNEDYS?

In a recent newsletter, the Western Conference of Teamsters acknowledged Labor Secy. Arthur J. Goldberg's "key role in bringing an end" to the rail tugboat strike in New York Harbor, concluding, "Things are certain to be different than they have been in the past eight years." If this swing noted on the West Coast spreads, it appears Goldberg may become the pivot of a new Teamster attitude toward the Kennedys, John and Robert.

### NEW RAIL CREDIT PERIODS:

Shippers' credit periods for payment of carload freight service will be extended from 48 and 96 hours to 96 and 120 hours, the same time allowed on LCL freight. The first period of 96 hours credit would be applied under normal circumstances. The 120-hour period would be applied when shipper (or consignee) needs additional time for processing bills, handling additional mailing, or meeting certain operating situations. Railroads favoring the change cited motor-carrier regulations, which allow seven days to bill a shipper, another seven to collect. ICC granted the extension, which becomes effective March 10.

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With Republic's CENTURY SERIES of high strength, stress-relieved, cold finished steel bars, you pay only for the machinability you need to meet your production requirements. CENTURY SERIES bars are priced on a descending scale (as machinability decreases, price drops). This makes it possible for you to realize important savings by selecting lower-sulphur-content, high-strength-toughness-ratio bars for applications where machinability is not of prime importance. Each of the five grades has a minimum yield strength of 100,000 psi.

PRODUCTION FACILITIES for CENTURY SERIES bars are strategically located in key metalworking markets to serve you better. Result: faster deliveries, and expert metallurgical service, *when you need it*, on the complete line of Republic Cold Finished Steel Bars. For more information on CENTURY SERIES bars and Republic Metallurgical Services, send the attached coupon.

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## New Celanese Petrochemical Plant To Turn Out Acetyls for Plastics

**New York** — Celanese Corp. of America will begin building a petrochemical plant on a 1,000-acre site near Bay City, Tex., during the second quarter of this year.

The plant will be able to produce about 100-million lb. of acetaldehyde and 2-ethyl hexanol a year. These chemicals, part of the acetyl family, are used in making a wide variety of plastics, adhesives, and other products. Construction of the new petro-

chemical plant is expected to take about a year.

Celanese will produce the chemicals with a special process it has licensed from Aldehyd G.m.b.H., a West German firm owned jointly by Farbwerke Hoechst and Wacker Chemie.

The new plant will be the company's third major chemical plant. It will raise the productive capacity of Celanese to more than one billion lb. of chemicals a year.

## Plastics Industry Sets Up Educational Program

**Chicago**—The Society of Plastic Industry has launched a huge two-pronged program to combat ignorance about reinforced plastics.

The program, aimed at suppliers, fabricators, and customers alike, seeks to state the case for reinforced plastics as well as clear up misunderstandings about the industry and its products. Conferences, exhibits, and technical exchanges will play an important role in the program.

This was the big news at the annual SPI conference on rein-

forced plastics held here last week. The conference was attended by some 1,200 delegates, who viewed application exhibits varying from burial vaults to space vehicle components and had a choice of listening in on 90 technical sessions.

### Stress Improved Processes

Improved process techniques were stressed at most of the sessions. Progress in continuous processes, which are necessary to bring costs down, is being made throughout the industry, dele-

gates were told. Large moldings of consistent quality and finish, for example, now can be turned out in 20 to 30 seconds, where just a few years ago the fastest cycles were 3 to 5 minutes.

Industry spokesmen expect large increases in construction and transportation markets. A move to reinforced plastic pre-fab homes and components such as door and window assemblies, and modular walls are seen as possibilities. In transportation, Irwin J. Gusman of J. P. Stevens & Co., Inc., pointed out the great flexibility and economy of reinforced plastic in short-run volumes. Gusman noted that vehicles can be tailored to individual fleet requirements in reinforced plastic for far less than the cost of other materials.

No single molding method is winning out in processing plastics, according to molders. Premix enjoyed an inside track for a while, but it used up its technology and other methods caught up. Hand lay-up, spray-up, and preform all enjoy their uses. There are just too many potential applications and uses to limit molding methods, molders pointed out.

## Flintkote Gets Gypsum Rights in Newfoundland, To Build New York Plant

**New York**—Flintkote Co. plans to start producing gypsum in the New York area now that it has obtained rights for mining a large gypsum deposit in Flat Bay, Nfld.

The New York plant will be the first of a number of new facilities to be supplied by the Newfoundland deposit.

Under its agreement with the Newfoundland government, Flintkote will pay 5¢ to the province for every long ton of gypsum rock processed.

The contract also provides that the company will acquire certain assets of Atlantic Gypsum Co., Ltd., Corner Brook, Nfld., for about \$1-million. Flintkote will manage Atlantic Gypsum's plant and will have the right to buy it. In return, Flintkote can mine approximately 40 sq. mi. of deposits and have access later to nearly 3,000 sq. mi. of other deposits.

## Heyden Newport to Add Epoxies to Chemical Line

**New York**—Heyden Newport Chemical Corp. soon will add epoxy resins to the line of chemical intermediates and specialty products that it manufactures.

Initial production will consist of liquid and resinous curing agents for epoxy resins and viscosity modifiers. The epoxy resins are used largely by the aircraft, electronic, and metal-working industries for coatings, insulation, electronic embedments and structural laminates.

The new chemicals, together with necessary technical information for design engineers, will be ready for distribution in sample quantities in the second quarter of this year. They will be manufactured at the Heyden Chemical Div. plant in Garfield, N. J.



Bostitch staplers and staples are made for each other. Our desk staplers always impress people with the way they work. They're rugged and they're well known to be practically trouble-free... especially with Bostitch staples. Precisely formed Bostitch staples cost pennies more than some other brands but save dollars in time and efficiency and smooth operation in all kinds of office work.

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## GE Working On New Type Lamp

**Cleveland**—General Electric's research laboratories are working on a new type lamp which is said to "combine high light output with extremely favorable color quality."

Donald Scarff, general manager of General Electric's Large Lamp Dept. said that if development of the lamp proves successful, "the new type lamps will find primary usage in industrial, commercial, defense, and street lighting and other outdoor applications."

The metallic vapor lamp (which is in the electric discharge family that includes fluorescent and mercury lamps) makes use of GE's new polycrystalline alumina ceramic, Lucalox, that combines translucence with high strength. The ceramic makes possible the use of thin, tubular envelopes for the lamps, and permits the use of alkali metal vapors at higher pressures and temperatures than ever before practical.

Alkali metallic vapor lamps now under development are operating at temperatures where quartz would melt. One of the lamps being investigated is a cesium vapor type. Efficient use of cesium in glass or quartz envelopes would be impossible because of the way the vapor attacks these materials. With the Lucalox envelope, it is reported to provide excellent color quality at an efficiency of about 35 lumens per watt.

## New Ball Point Designed For Uniform Flow of Ink

**New York**—Scripto, Inc., has brought out a new ball point pen with the point redesigned to provide a uniform ink flow and eliminate skipping. The new "Tilt-Tip" will sell for \$1.98.

Instead of lying in a straight line with the pen barrel, the point is set at a 10-degree angle so that it slopes downward. When held in a normal writing position, the point is almost perpendicular with the writing surface, rather



**NEW ANGLE** on ball point pen gives it a uniform ink flow.

than at an acute angle. This lets the ball ride more directly on its center.

The angle does away with writing on the rim of the socket holding the ball, eliminating scratching and skipping. The angle, which utilizes the full surface of the ball, also permits the pen to be held in a more comfortable position.

Scripto announced that prior to entering into full production with the Tilt-Tip, the pen was researched, tested, and consumer-approved by Audits & Surveys, Inc., for over three years.

The pen is available in five barrel colors: charcoal, black, red, grey, and olive.



**NEW LAMP** under development by GE uses metallic vapor inside a ceramic tube to get both high light output and a good color rendition.

## Desco Develops Gold Flake Finish Applied by Spray to Interior Walls

**Philadelphia**—Desco International is marketing a spray-on, interior wall finish that sparkles like gold.

The coating, called Star-Tex, achieves its effect through golden metallic flakes, which are suspended in the solution. Star-Tex was developed as a decorative finish particularly for application over free-form architectural designs. Desco offers it as a decorative accent for columns and "specialty walls" of lobbies, halls,

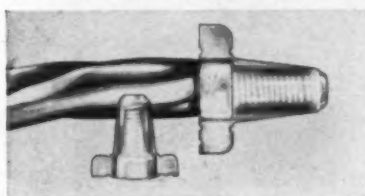
and similar areas of decorative trim.

The spray application leaves a seamless finish that adheres to any sound masonry or plaster surface. A gloss-hard finish does not chip or peel. Nonfading pigments are used for a full range of colors with the golden flakes.

Star-Tex is available through Desco-franchised applicators at a cost of from 75¢ to a \$1 per sq. ft., depending on the surface over which it is applied.

# Maintenance Mart

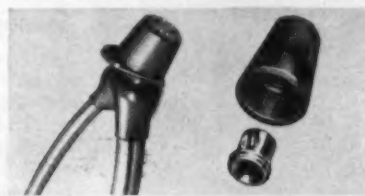
THESE POPULAR IDEAL PRODUCTS ARE ALL AVAILABLE FROM YOUR LOCAL DISTRIBUTOR



**Built-in wrench.** Unique wings make WING-NUT easiest wire connector to screw on heaviest branch circuit wires. Splice is visible inside tough nylon shell. U.L. listed for 600 volts as pressure cable connector, and 105°C. U.L. approved for aluminum and solid and/or stranded copper wires. 2 sizes of WING-NUT available to meet all pigtail splice needs.



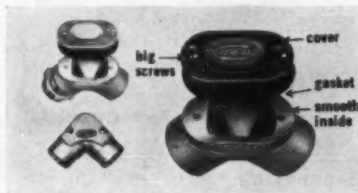
**America's favorite!** WIRE-NUT has long-proven performance record as lowest-cost method for all common branch circuit and fixture wire connections. Strongest, shake-proof wire joint possible. All 5 sizes U.L. listed as 300v fixture; large sizes 74B & 76B as 600v pressure cable connectors. Use WIRE-NUTS in all types of conduit, cable, non-metallic sheath and open wiring.



**Select Set-Screw or Crimp.** Only Ideal CRIMP has WRAP-CAP that insulates all around and even between wires. 600v U.L. approved for cadmium plated steel sleeve and vinyl 1-piece WRAP-CAP... now 2 sizes. 3 sizes of Ideal SET-SCREWS. All U.L. listed. Shell and connector easily removed and re-used. Tough shell has long skirt to prevent flash-over.



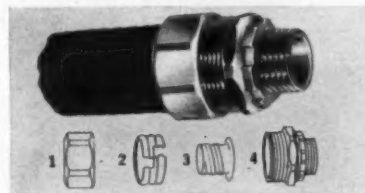
**Cut "fishing" time.** Highest grade, oil-tempered flat spring steel FISH TAPES will not curl. Flexible and easy for long, multi-bend conduit runs. Steel reel holds tape, is handled with safe, sure grip and ends danger of bending, kinking or breaking tape. Used with flexible leader, solves 90% of fishing problems. 1/4" and 3/4" tapes in 50, 100 and 200 foot coils.



**Easiest way around!** Ideal PULLING ELBOWS & ADAPTERS make wiring around corners a snap. Precision milled of malleable iron for rugged strength and perfectly smooth pulling. Precise 90° fit. Cadmium plated, chromate treated. Supplied assembled, complete with rigid domed cover, full neoprene gaskets and BIG screws. 1/2" to 2" sizes, in three styles.



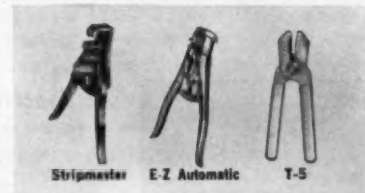
**Double protection—** Ideal VOLTAGE TESTER has a solenoid, calibrated indicator and a neon test lamp... each independent of the other. Safest, easiest for rugged daily use. Plastic safety yellow case, no-slip prods, prod storage space, fits pocket. Tests voltage, frequency, AC or DC, continuity, etc. Also model with resistor-fuses in prods to prevent arcing.



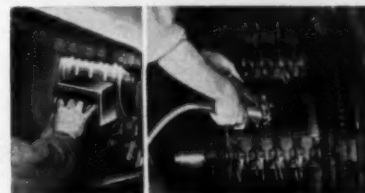
**Vap-Oil-Tite**—only completely reusable connectors for liquid-tight, flexible metallic conduit. Perfect seal. Positive ground, covers raw conduit end, fits EF and UA. U.L. approved. 90°, 45° and straight for 3/8" to 4" sizes. Easy to apply: Slip ring nut (1), and split ring (2), on conduit. Screw grounding bushing (3) inside conduit. Tighten ring nut over connector (4).



**Vacuum cleaners and blowers.** Blows dry air at high velocity but low pressure, so safe for delicate equipment. Light, balanced hand models for heavy, medium or light duty, complete with blower nozzle. Available with hand model or tank type cleaning attachments. Ideal CLEANERS do better job faster, at less cost. Universal type motor lubricated for life.



**Strip wires fast and easy.** "One-squeeze" STRIPMASTER strips both solid and stranded wire in 2 seconds. Heavy-duty E-Z AUTOMATIC cuts thru toughest insulation and strips wires clean without crushing ends. Low cost T-5 STRIPPER cuts, strips and loops wires. Fits flat in pocket. Strips 10 to 18 gauge. Many other special Ideal hand stripper models available.



**In-place motor maintenance.** Service commutators, motors without dismantling... use Ideal commutator resurfacers, brush seaters, flexible abrasives. All sizes and styles to fit any job. Ideal line also includes everything for commutator care: precision grinders, mica undercutters and many specialized small tools. See your distributor.



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## Here's your weekly guide to ...

### P/W Goes to the Plant Maintenance Show



#### Sweeper

**Cleans 53-in. Path**

Sweeper, hydraulically powered by 9-hp. or 18-hp. engine, cleans a 53-in. path. Sidebrush moves against walls and in close areas. Filter traps fine dirt and is cleaned by pushbutton which expels accumulation into the hopper with heavy trash.

**Price:** Approx. \$3,000. **Delivery:** immediate (after March 15).

**G. H. Tennant, 721 N. Lilac Dr., Minneapolis 22, Minn. (PW, 2/20/61)**



#### Fastening Tool

**Does Four Jobs**

Tool with reversible chuck does four light fastening jobs. Short end may be used to set drive pins and studs or fasten wire loops in concrete and steel. Reverse end permits use with masonry drill or with adapter to install company's drill/anchors.

**Price:** \$16.50 (\$4 for heavy-duty hammer). **Delivery:** immediate.

**Gregory Industries, Inc., Lorain, Ohio (PW, 2/20/61)**



#### Outdoor Lamp

**Actuated by Natural Light**

Lamp has photo-electric cell which turns light on when natural light level falls. Models are available to react to any of three degrees of darkness. Lamp takes a bulb of 650 w. maximum.

**Price:** approx. \$25. **Delivery:** 10 days. **Com-Pak-Ett Mfg. Corp., Allegan, Mich. (PW, 2/20/61)**



#### Impact Wrench

**Has 1/2-in. Bolt Capacity**

Wrench is designed to handle high production with minimum torque reaction on the operator. Bolt capacity is 1/2 in. The handle contains the oil reservoir and a strainer filters the air inlet. Castings are of heat-treated aluminum alloy.

**Price:** \$275. **Delivery:** immediate. **Airetool Mfg. Co., Springfield, Ohio. (PW, 2/20/61)**



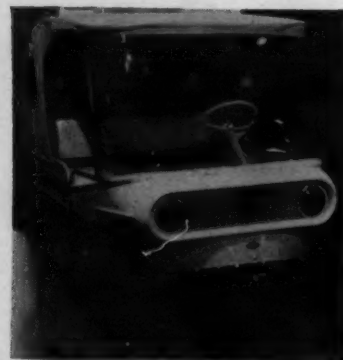
#### Power Sweeper

**Cleans 120,000 Sq. Ft Per Hr.**

Sweeper takes dust, scrap of all kinds, metal, and bottles. Average hourly coverage is 120,000 sq. ft. Main broom's width is 44 in. and optional side brooms increase sweeping width by 12 in. each. Dump style hopper holds approx. 12 cu. ft. of sweepings.

**Price:** \$3,900. **Delivery:** immediate (after May 1).

**Wilshire Power Sweeper Co., Toledo 3, Ohio (PW, 2/20/61)**



#### Electric Car

**Holds 2 Riders**

Car, 98 in. long, will hold two riders, leaving ample storage room. Operating costs range from 5¢ to 15¢ a day at speed of 20 mph. to 30 mph. Plastic and metal top can be installed in 10 min. Built-in battery charger plugs into any light socket and estimated battery life is 3 yr. to 4 yr.

**Price:** \$1,445. **Delivery:** immediate. **Laher Spring & Electric Car Corp., 2615 Magnolia St., Oakland, Calif. (PW, 2/20/61)**



#### Drinking Fountain

**Has Cooling Unit in Base**

Refrigeration unit can be added to wall fountain at any time after initial installation, if desired. Standard finish is charcoal with options for yellow, light blue, and dark red vinyl, or all stainless steel, satin finish.

**Price:** approx. \$115; with refrigeration, approx. \$325. **Delivery:** immediate. **Sunroc Corp., Glen Riddle, Pa. (PW, 2/20/61)**



#### Vacuum Cleaner

**Has Detachable Power Unit**

Cleaner's power unit detaches to form a portable blower or vacuum cleaner. Models are available with 10-gal., 15-gal., 30-gal., and 55-gal. drum capacities. Power unit delivers 250 cu. ft. of air per min. for jobs from overhead pipe dusting to oil sump cleaning.

**Price:** \$259 to \$464. **Delivery:** immediate.

**Hild Floor Machine Co., Inc., 1217 W. Washington Blvd., Chicago, Ill. (PW, 2/20/61)**



#### Ash Tray

**Has Sign Attached**

Ash tray for wall mounting adjacent to "no smoking" areas comes with choice of "no smoking" signs. Large canisters are available with grey crinkle or bright polished finish. Removable liners are of glass fiber. Mounting screws are furnished.

**Price:** \$10 to \$15. **Delivery:** immediate. **Standard Industrial Products Co., 3527 Farmington Rd., Peoria, Ill. (PW, 2/20/61)**



# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



## Sweeper

Cleans 30-in. Swath

Gasoline-powered sweeper picks up newspapers, dust, wood and metal shavings, cardboard cups, and similar items. Light and easily maneuverable, it cleans a 30-in. swath and has an 11-cu. ft. capacity. Over-size wheels have fully pneumatic tires.

**Price:** \$245. **Delivery:** immediate (after April 1).

**Parker Sweeper Co., Springfield, Ohio (PW, 2/20/61)**



## Waste Receptacle

Attaches to Wall

Receptacle attaches to wall with four screws and lifts out easily for emptying. Unit is 36 in. high, 18 in. wide, 9 in. deep, and has 12½ gal. capacity. Weight is 30 lb. and top opening is 6 in.

**Price:** \$17.30. **Delivery:** immediate.

**F. H. Lawson Co., Evans & Whateley, Cincinnati 4, Ohio (PW, 2/20/61)**



## Cabinet

Has Tamper-Proof Doors

Cabinets have tamper-proof doors with positive three-point locking. All are 36 in. wide, 78 in. high, and 18 in. or 24 in. deep. One model has four shelves with 36 cu. ft. of storage. A wardrobe model holds 12 to 16 coats and a third is a combination wardrobe/storage cabinet.

**Price:** \$56.60 to \$67.50. **Delivery:** immediate.

**SPS Co., Columbia-Hallowell Div., Box 1096, Jenkintown, Pa. (PW, 2/20/61)**



## Sewer Cleaner

Clears 12-in. Lines

Portable machine for one-man operation cleans 3-in. to 12-in. sewer lines. Drive unit with ½-hp. motor is supplied with cutting tools, accessories, and tool case. Dolly designed for connection to machine is complete with 100 ft. of ¾-in. dia. cable.

**Price:** \$395 (machine), \$195 (dolly). **Delivery:** 60 days.

**Oster Mfg. Co., 1340 E. 289th St., Wickliffe, Ohio (PW, 2/20/61).**



## Surfacing Compound

Bonds To Varied Surfaces

Compound is supplied in proper proportion in two containers (latex binder and cement-aggregate) ready for mixing. The compound bonds to many surfaces including concrete, masonry, sealed wood, and metal. It is ready for traffic in 48 hr. to 72 hr.

**Price:** 60¢ to 65¢/sq. ft. (½-in. thickness). **Delivery:** immediate.

**Pennsalt Chemicals Corp., Natrona, Pa. (PW, 2/20/61).**

This Week's

## Product Perspective

FEBRUARY 20-26

**EPOXIES** are winning a wide variety of repair jobs in the plant, ranging from patching the floor to getting leaky pipes back into service. Uses for the versatile material seem limited only by the ingenuity of maintenance men. For instance:

A large chemical company estimates savings of \$5,000 by using epoxies to coat steel tanks, repair the roof over solvent-discharging vents, and coat exterior insulation over pipes. An electric equipment maker uses epoxies for machine tool repairs. An aluminum filled resin (cost—\$5) replaced a bronze bearing (\$40), and when it came time for a customary replacement, the epoxy showed no signs of wear.

In another plant, the cost of replacing 20-in. dia. stainless exhaust fan impeller blades came to \$120 each. These blades, subject to acid fumes in a steel processing unit, had to be replaced every three months. **Mild steel blades covered with an epoxy fiber glass mat showed no corrosion after 18 months.**

• Reason for the popularity of epoxies is that they withstand chemicals, in addition to having good resistance to abrasion, wear and impact. Also, they can be applied by plant maintenance men, thus eliminating costly outside contracting.

• **Almost all epoxies come in two-part mixtures (resin and catalyst) which must be combined just before they are used.** Various size containers range from small squeeze tubes to 25-lb. cans. Since the pot life (reaction time after the two parts are mixed) is so short, many maintenance men seem to prefer smaller (1 and 4 lb.) cans which can be completely mixed and used up.

Several makers are trying to simplify the mixing job by packing both components in one container with a temporary separation to keep them apart. One pack has a single cardboard partition down the center of the cardboard container—it is simply pulled out when ready. Another maker puts the resin in a sturdy plastic pad with the curing agent in an attached collapsible tube. The curing agent is injected into the resin prior to use and then worked into a uniform mass.

• Most plant jobs are classified as floor resurfacing or general repair:

**FLOORS.** Epoxies protect new surfaces and repair old ones. They may be pigmented to provide decorative effects and to match the color of the concrete. The epoxy will provide an ideal nonslip surface when applied over steel plates or worn stair treads. The material can be applied over any sound, clean surface by hand troweling or by spray gun. Although a layer 1/16 in. to ¼ in. is most economical, a thicker coating may be necessary if the area will be subject to heavy material handling equipment traffic. Thin toppings are susceptible to impact damage and subsequent chemical damage resulting from the destruction of the bond. The surface may be placed back into service in 8 to 12 hr.

**REPAIR.** Epoxies can be used anywhere in the plant to make quick repairs on any type surface. Typical applications include:

- Repair leaks in pipes—line can be back in service in two hours.
- Keep nuts from loosening on shafts where lock washers have failed.
- Hold ball bearings in end bells of motor instead of boring and bushing to size.
- Seal around rivets on tank instead of welding.
- Patch defective spots in plastic or lead lined steel chemical tanks.
- Attach electrical junction boxes to concrete and brick walls.

**BASIC SIMILARITY** of maintenance items gives the P.A. good opportunity to shop and compare. Even new articles seem to keep their exclusiveness for only a year or so. Examples of heightened competition include:

- **Airless spray guns**—Over a dozen makers now offer units.
- **Fluorescent paints**—At least three manufacturers have entered the field.
- **Epoxies**—So many companies have entered the field that some are spending less time promoting epoxies in general and more time trying to sell their brand. Du Pont, for example, has just tacked a new brand name and promotion effort on an old coating.
- **Fasteners**—Two new lines of devices have appeared to drive steel studs into concrete. A single explosive system has existed with little competition for a number of years.



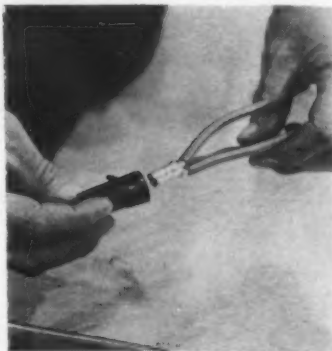
## Crimp Connector

### Insulates Large Splices

Cadmium-plated steel sleeve and one-piece vinyl insulator form crimp connector for wire splice combinations from one #14 with one #16, up to one #6 with two #8. It is approved for 167F. Insulator's ribs act as "bumpers" to protect against abrasion.

**Price:** \$28/M (sleeve), \$32.50/M (insulator). **Delivery:** immediate.

**Ideal Industries, Inc.,** Sycamore, Ill. (PW, 2/20/61)



## Fire Extinguisher

### Has Replaceable Cylinder

Dry chemical, 2½-lb. extinguisher has the fire-fighting power of eight 1-qt. carbon tetrachloride units. It combats flammable liquid, LP gas, and electrical equipment blazes. After use, expended cylinder is unscrewed and replaced with a fresh one.

**Price:** \$11.95. **Delivery:** immediate (after March 1).

**Walter Kidde & Co., Inc.,** Belleville 9, N. J. (PW, 2/20/61)



## Epoxy Coating

### Applies Like Paint

Two-part epoxy coating gives a tough, odorless, nontoxic coating with a tile-like hardness that resists chemicals. It goes on wood, metal, masonry, fabric, glass, fiber glass, and most synthetic and painted surfaces. It applies like paint and comes in 12 colors—white, clear, and red lead primer.

**Price:** Approx. \$16/gal. **Delivery:** immediate.

**Wilbur & Williams Co., Inc.,** 650 Pleasant St., Norwood, Mass. (PW, 2/20/61)



## Spray Unit

### Attaches to Paint Can

Airless spray designed for one-gun use works direct from paint can (1 gal. to 5 gal.). The cover-mounted unit seals the pail and keeps dirt out. Separate, angled agitator is air-driven. Unit comes with gun and 15-ft. length of hose.

**Price:** \$595. **Delivery:** immediate.

**Gray Co., Inc.,** Minneapolis, Minn. (PW, 2/20/61)





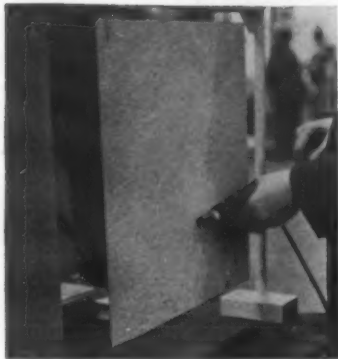


### Mobile Platform

**Adjusts to Height of 86½ In.**

Work platform adjusts from a lowered height of 51¾ in. to 86½ in. Other sizes are also available. It straddles floor obstacles for maintenance work and has a 350-lb. capacity. Hand or electric powered operation is available. A telescoping ladder gives access to the nonmetallic deck.

**Price:** \$495. **Delivery:** immediate.  
**Ballymore Co.,** West Chester, Pa. (PW, 2/20/61)



### Acoustic Compound

**Dampens Vibrations**

Compound reduces movement and noise generated by vibration of sheet metal and other metal surfaces. It comes in seven types to meet a wide range of requirements and is available in 1-gal. to 55-gal. drums. Five gal. covers 200 sq. ft.

**Price:** \$30 (5 gal.). **Delivery:** immediate.  
**Korfund Co., Inc.,** Cantiague Rd., Westbury, N. Y. (PW, 2/20/61)

## Meet our mechanical man

**According to Union-Camp's Bill Jacobi, the road to better packaging is often paved with automation.**

**B**ILL JACOBI has been fighting packaging inefficiency since the days of string tying.

Some day he hopes to win. Many claim he already has. Particularly users of Union-Camp shipping containers.

It's easy to understand why. As a result of putting some of his automation ideas to work, these companies have saved thousands of dollars in reduced handling and labor costs. To say nothing of increased production rates.

According to Bill, who's Director of our Package Engineering Department, packaging costs are like an iceberg. Only the top portion—or surface costs—can be seen. This is represented by the packaging materials.

It's the hidden costs that cause the trouble. These sizable expenses take the form of filling, handling, weighing, maintenance, labor, closing, warehousing and product damage. And it takes an expert to analyze them and make recommendations that will keep them to a minimum.

This is precisely the type of service Bill

and his team of specialists provide. Their studies cover inventory control. Plant layout. Filling and handling techniques and equipment. Manpower expense. Adaptability of containers to palletizing as well as to present (and anticipated) traffic flow. In fact, anything that contributes ultimately to reducing the unit-packaging-cost of the product—whether it's applesauce or appliances.

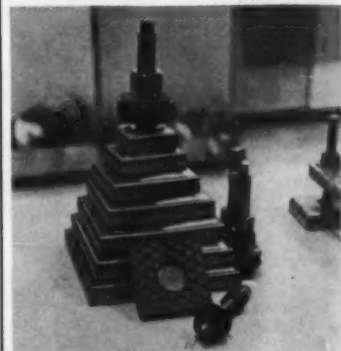
As Bill puts it, "In today's profit-squeeze economy, one of the only avenues left for achieving significant savings is through more streamlined packaging and handling of the manufactured product. It's an avenue well worth exploring."

He'll be glad to explore it with you. There's no obligation. Just drop us a note on your letterhead.

**UNION-CAMP®**  
CORRUGATED BOXES

Union Bag-Camp Paper Corporation, 233 Broadway N.Y. 7, N.Y.

Plants: Savannah, Georgia • Trenton, New Jersey • Chicago, Illinois • Lakeland, Florida • Spartanburg, South Carolina • Jamestown, North Carolina  
Subsidiaries: Allied Container Corporation, Dedham, Massachusetts  
The Eastern Box Company, Baltimore, Maryland.



### Machine Mount

**Reduces Vibration by 85%**

Mount comes in two styles: one to confine machine tool vibrations, the other to absorb outside vibrations. Mount can be as much as 85% effective and is available with or without leveling screws. Maximum load per mount ranges from 375 lb. to 6,000 lb.

**Price:** \$6 to \$20 (\$3 to \$11 for plate only). **Delivery:** immediate.

**Clark-Butler, McDermott Co.,** Franklin, Mass. (PW, 2/20/61)



### Hose Nipple

**Provides Reusable Fittings**

Hose nipple and yolk assembly gives a reusable fitting for all types of hoses requiring a positive lock. Nipple is held tight by special universal clamp. They come in five sizes to fit hoses of ¼ in., ⅜ in., ½ in., ¾ in., and 1 in. I.D., regardless of hose O.D.

**Price:** \$1.20 to \$3.44 (includes nipple and yolk). **Delivery:** immediate.

**Band-It Co.,** 4799 Dahlia St., Denver 16, Colo. (PW 2/20/61)



### Cutting Tool

**Takes 1-in. Tubing**

Hand tool cuts tubing of glass, high-temperature gage glass, and porcelain up to 1-in. in diameter. Chain with inner cutting edge is wrapped around the tube. A squeezing pressure on the handle makes the cut.

**Price:** Approx. \$10. **Delivery:** immediate (after March 1).

**Wheeler Mfg. Corp., P. O. Box 688, Ashtabula, Ohio. (PW, 2/20/61)**



### Silver Alloy

**Combines Flux-Filler Metal**

Flux-coated silver welding alloy combines flux and filler metal. Flux does not deteriorate and remains inactive until heated for use. It may be used on ferrous and nonferrous metals, and is cadmium-free.

**Price:** \$16 to \$17/lb. **Delivery:** immediate.

**Eutectic Welding Alloys Corp., 40-40 172nd St., Flushing 58, N. Y. (PW, 2/20/61)**



### Stripper

**Removes Difficult Finishes**

Solvent-acid stripper removes resistant, high-grade epoxy, and other difficult-to-strip finishes. It works on steel, stainless steel, aluminum, copper, and brass. It is used at room temperature in acid-proof equipment.

**Price:** Approx. \$5/gal. **Delivery:** immediate.

**Oakite Products, Inc., 19 Recor St., New York 6, N. Y. (PW, 2/20/61)**



### Wrench Set

**Includes 26 Units**

Heavy-duty repair and maintenance set includes 26 combination wrenches. Opening sizes range from 1/4 in. to 2 in. Slim, tapered wrench heads give easy clearance and withstand maximum strain. Tools are chrome plated to withstand weather.

**Price:** \$295.37. **Delivery:** immediate.

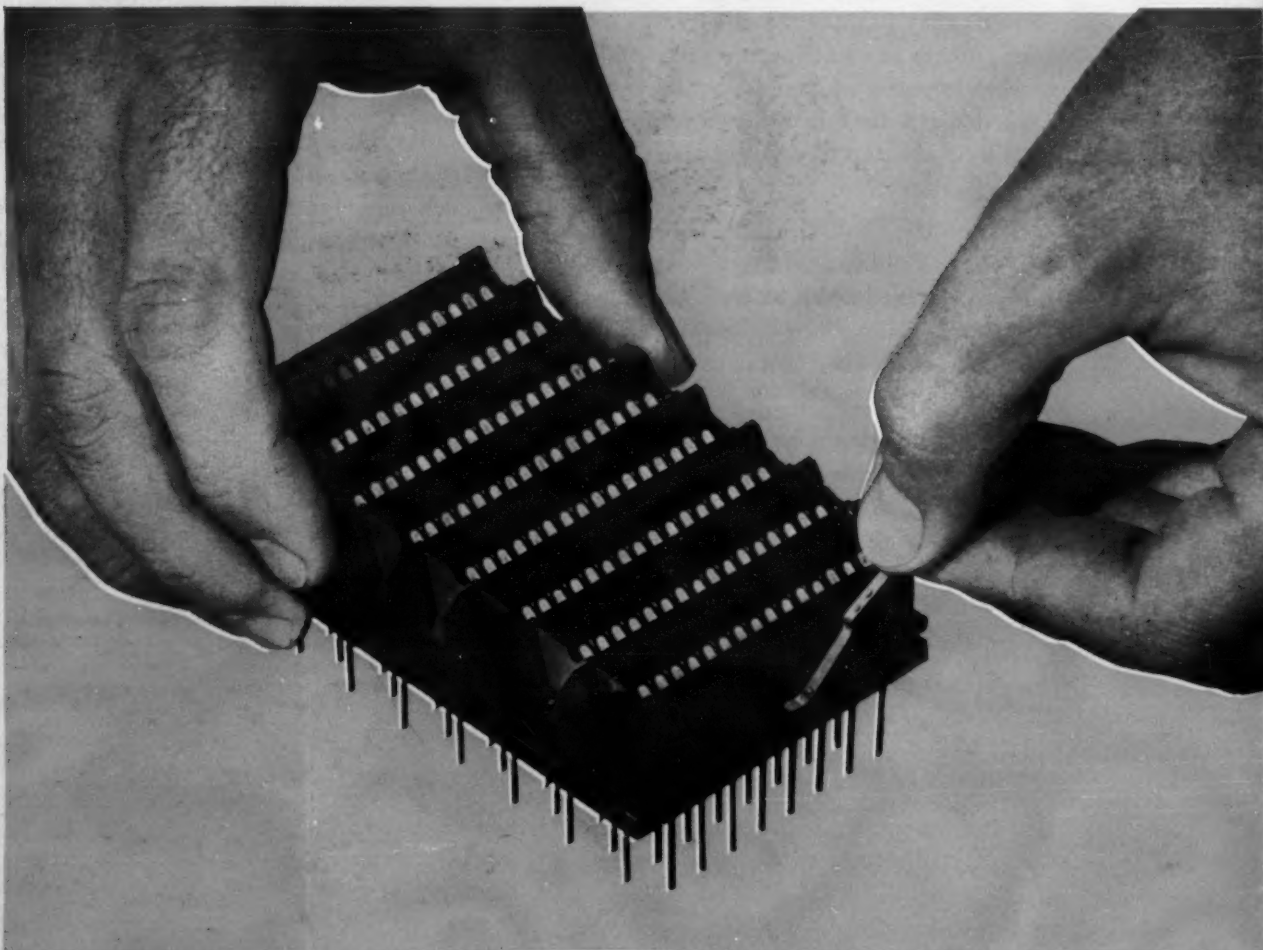
**Proto Tool Co., 2209 Santa Fe Ave., Los Angeles 54, Calif. (PW, 2/20/61)**

## SYLVANIA PRODUCES & DELIVERS THE COMPLETED ASSEMBLY —at substantial savings to IBM

This electrical connector block is a vital link in the electrical system of an IBM computer. Unless it is built to exact tolerances, the computer can malfunction.

To make this critical part, IBM chose Sylvania because we could perform the entire production sequence—from raw materials to completed assemblies built to tolerances in terms of thousandths of an inch. It soon proved the

Sylvania experience paid off in two ways: in production economies and in fast delivery too. Total result: a better connector block—at lower cost. (For details see captions to pictures on these pages.) For full information on how Sylvania custom facilities can benefit you, or for a quote on a specific project, write Sylvania Electric Products Inc., Parts Division, Warren, Penn.







### Piston Drive Tool

#### Fastens Studs

Hammer blow actuates tool to drive fastenings into concrete. Booster cap increases power for heavier fastening in dense concrete and steel. Complete kit includes tool, hammer, complete range of studs and pins, pistons for each stud, and accessories.

**Price:** \$97.50 (kit). **Delivery:** immediate.  
**Rapid Fastening Systems, Inc., 78 Southfield Ave., Stamford, Conn. (PW, 2/20/61)**

### Purchasing Week Definition

### Molding Reinforcing Plastics (Part I)

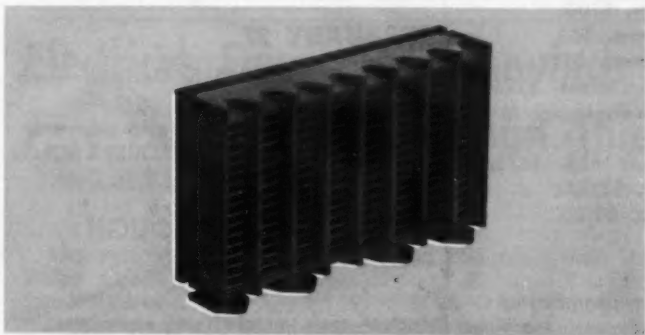
**Hand Lay-Up**—Layers of reinforcement, coated with catalyzed resin, are built up by hand in molds of wood, plaster, or reinforced resin. Strength requirements determine the number of layers needed, and stress points can be reinforced with extra layers.

**Spray-Up**—The same type molds are used as for hand lay-up, but reinforcing material and plastic are applied by guns which may spray resin

(epoxies of polyesters) and reinforcing material simultaneously or alternately. Some guns spray resin only.

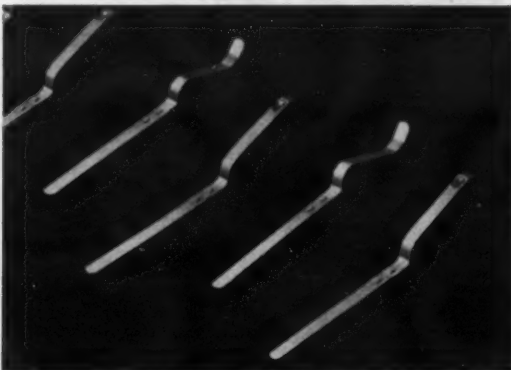
**Preform & Mat**—Parts made by matched metal die preform technique are molded in minutes to precise dimensions and need no finishing. Parts are formed under pressure and heat in sizable presses. Resins are generally polyester or epoxy.

(PW, 2/20/61)



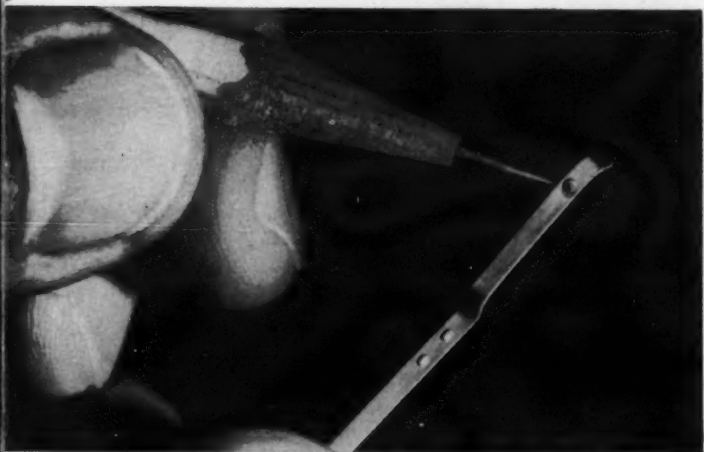
**MOLDED FROM PLASTIC** by Sylvania, the IBM connector block meets tightest specifications. This is possible because Sylvania maintains one of the world's most modern and complete lines of automatic molding equipment. This equipment permits Sylvania to handle volume orders for compression, injection and transfer molding. And a unique bank of rotary presses can produce millions of precision parts each day—even using phenolics and urea.

**Result to IBM?** Precisely formed parts to fill high-volume requirements.



**MADE FROM SYLVANIA WIRE**, precision-rolled ribbon connectors offer high reliability when the circuitry is completed using wire wrap contact methods. The cross section of the ribbon—.023" x .062"—and the corner radius of .003" were accomplished on a special three-head tandem rolling mill and special forming equipment.

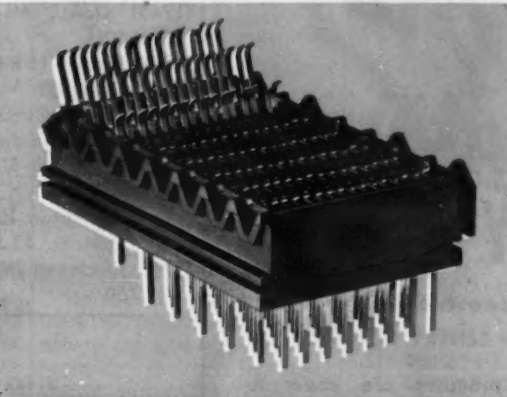
**Result of this flexibility to IBM?** Top reliability at close tolerances.



**CUSTOM METAL STAMPING AND DOT WELDING**, in one operation, also paid big dividends to IBM. The original plans called for forming parts and then gold-plating the entire contact. Following a request by IBM to extend contact life and reduce costs, Sylvania experience paid off. Sylvania Engineers demonstrated they could weld a tiny gold dot at the contact point economically while maintaining close tolerance on the critical dimensions of the formed contact. High-speed, high-volume techniques enable Sylvania to meet critical deflection and shear tests. Sylvania maintains a metal stamping facility which includes multi-slide machines, vertical presses, and specially developed machines to help solve your special problems.

#### QC SERVICE MEANS QUALITY CONTROL!

At Sylvania, a tough-minded, hard-to-please quality control department has full authority for assuring the parts Sylvania produces meet your most stringent specifications. Example of this thoroughness: for the IBM connector block, Sylvania used 100% inspection!



**CUSTOM ASSEMBLY** by Sylvania of the block and the parade of contacts is handled by our corps of trained specialists. Many of our customers have found that Sylvania can often deliver completely assembled and packaged products—using either all Sylvania components or all customer components, or both—at lower cost than is possible in the customer's own facilities.

**Result to IBM?** Many, many thousands of completed top-quality assemblies per month, and to tolerances specified for automatic wire wrap.

# SYLVANIA

Subsidiary of **GENERAL TELEPHONE & ELECTRONICS**



### New Device Enables One Man to Remove Truck Tire in Minutes

**Denver**—Tomorrow Products, Inc., is marketing a bead breaker and tire changer, said to enable one man to take a truck tire off the rim in three minutes.

The new equipment, named Saf-way, requires no chain or other tire lifting devices. The bead breaker and changer are constructed low to the floor and tires are rolled into position on inclined ramps. This helps eliminate damage to bead and tire from improper use of tools for mounting.

The bead breaker works like this: Two pneumatically actuated pressure shoes free both beads while the tire is upright. The changer centers the wheel and rim on a horizontal, circular platform. The tip of a motor-driven arm is then placed between the rim and bead. The arm then revolves slowly, sliding the bead on or off the rim as it goes around.

### Fluxless Solder Designed For Aluminum and Alloys

**Jersey City**—A fluxless, aluminum solder for joining dissimilar metals has just been introduced in this country by Metals for Industry, Inc. It will sell for about \$4.50/lb. in 100-lb. lots.

The low-temperature solder, called Tin-A-Lum, was developed by George Strike, a London mechanical engineer, for fluxless use with aluminum and its alloys, pewter, tin, and magnesium castings. With the aid of normally applied fluxes, it may be used also on copper, brass, ferrous metals, and castings.

A high-tensile strength permits its use in many instances as a replacement for welding or brazing. Its ability to be worked at low temperatures (melting point: 210 C) eliminates the danger of metal destruction under heat. The solder also offers good machineability. It can be polished and chromium-plated, and is an excellent conductor of heat and electricity.

#### WHERE-TO-BUY

National purchasing section for new equipment, services, and merchandise  
SPACE UNITS: 1-6 inches.

RATES: \$20.70 per advertising inch, per insertion. Contract rates on request. Subject agency commission and 2% cash discount.

#### HIGH TEMPERATURE FASTENERS

Engineering Catalog Number 288 on request  
Manufacturers AN—N.A.S.—M.S. & Digit Hardware

#### SPECIALS TO YOUR SPECIFICATIONS

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TOUGH SPECIALS 10 DAY DELIVERY

MANUFACTURERS OF PRECISION HARDWARE



# P/W REPORTS ON RESALE PRICES

## Latest Auction Prices

New York—Weather is playing hob with current auctions. The Midwest and East have been so hard hit by snows that some auctioneers report that companies are delaying the sale of their plants until spring, especially those in areas remote from prime industrial centers.

Nevertheless, those auctions that are taking place, continue to show up some good bargains. At a recent sale at its Federal Pacific Electric Div. at Scranton,

Pa., radial drills went for as little as \$350, drillpresses for \$50 and less, turret lathes for \$400 and less, and heavy-duty millers for under \$300.

Prices listed below are actual bids for machinery and equipment in "as is" condition made at specific auctions and, as such, are subject to such varying conditions as location of auction, weather, size and "buying mood" of attendance. When available, age of each item is given in parenthesis.

### JANUARY 11

Auction held at Bruin Metal Products, El Segundo, Calif. Auctioneer: Max Rouse & Sons, Beverly Hills, Calif.

Delta 3-hp. abrasive saw. \$250.  
Chicago Model 335 6-ft. brake. \$1,875.  
Niagara 6-ft., 14-gage power shear. \$1,000.  
18 x 24-in. granite surface plate. \$70.  
Oliver die filler. \$120.  
Grab 18-in. bandsaw. \$725.  
DoALL band filer. \$200.  
Boyer-Sculz surface grinder with magnetic chuck. \$700.  
Blohm surface grinder. \$3,150.  
Milwaukee profile grinder. \$100.  
Famco No. 3 1/2 arbor press. \$65.  
Press Rite No. 1 punchpress. \$188.  
BenchMaster 7 1/2-ton punchpress. \$225.  
Yoder 9-stand roll former, Model M-1 1/2, \$7,750.  
Towmotor 4,000-lb forklift truck. \$875.  
L & J 75-ton punchpress. \$2,500.  
Bliss No. 21-B punchpress. \$2,000.

### JANUARY 25

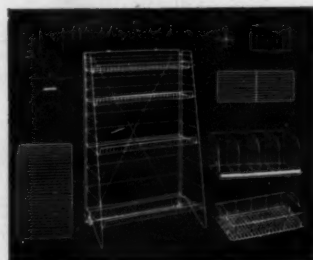
Auction held at Great American Plastics Co., Fitchburg, Mass. Auctioneer: Machinery Auctioneering Corp., New Haven, Conn. (1946) Consolidated No. 4 OBI power press. \$700.

(1947) 20-ton Zeh & Hahnemann OBI power press. \$850.  
(1947) 30-ton Zeh & Hahnemann OBI power press. \$850.  
(1941) Bridgeport M-head vertical milling machine. \$600.  
(1945) Armco 20-in. universal crank shaper. \$1,800.  
(1945) DoALL ML-18 vertical bandsaw. \$1,150.  
(1946) Cardiff 15 x 60-in. center gap engine lathe. \$1,500.  
(1948) Gordon 8 1/2 D vertical milling machine with aluminum duplicating table. \$2,350.  
(1939) Cincinnati-Bickford 3 ft.-9-in. radial drill. \$2,350.  
(1946) Thompson 10 x 24-in. hydraulic surface grinder. \$3,500.  
(1940) Cincinnati 2MH plain milling machine. \$1,750.

If it's made of  
**WIRE**

get in touch with

**FASFORM**



Just tell us what you need, and if it can be formed with wire we'll give you a blueprint and a cost estimate. Write Fasform Formed Wire Products Division, Heller Roberts Manufacturing Corp., 6115 Carnegie Ave., Cleveland 1, Ohio.

**HELLER ROBERTS**  
Manufacturing Corporation

## Coming Auctions

### FEBRUARY 23

Woodward Automatic Products, 12270 Montague St., Pacoima, Calif. Screw machine shop equipment. WRITE, WIRE, PHONE: MAX ROUSE & SONS, 361 S. Robertson, Beverly Hills, Calif.

### FEBRUARY 23

J. W. Murphy Inc., 2501 E. 52nd St., Los Angeles. Construction equipment, trucks, air tools, \$500,000 inventory. WRITE, WIRE, PHONE: MILTON J. WERSHOW, 7213 Melrose, Los Angeles.

### FEBRUARY 27

Slattebo Corp., 11115 S. Garfield, South Gate, Calif. \$200,000 worth of contractors' equipment. WRITE, WIRE, PHONE: MAX ROUSE & SONS, 361 S. Robertson, Beverly Hills, Calif.

### FEBRUARY 28 THROUGH MARCH 1

Peninsular Metal Products Co., Detroit. Machine tools, metalworking equipment. WRITE, WIRE, PHONE: INDUSTRIAL PLANTS CORP., 319 S. LaSalle, Chicago.

### MARCH 2

Wurlitzer Corp., Cabinet Division, Tona-wanda, N. Y. WRITE, WIRE, PHONE: SAMUEL L. WINTER-NITZ & CO., First National Bank Bldg., Chicago.

### MARCH 2

United Products Co., 3001 N. Starr St., Tacoma, Wash. \$1-million inventory of machine tools and metalworking equipment. WRITE, WIRE, PHONE: MILTON J. WERSHOW, 7213 Melrose, Los Angeles.

### MARCH 9

Universal Molded Products Co., Bristol, Va. Metalworking and plastics equipment. WRITE, WIRE, PHONE: SAMUEL L. WINTER-NITZ & CO., First National Bank Bldg., Chicago.

### MARCH 9

Union Asbestos Co., Blue Island, Ill. Asbestos product manufacturing equipment. WRITE, WIRE, PHONE: INDUSTRIAL PLANTS CORP., 319 S. LaSalle, Chicago.

### MARCH 15-16

Daggett Chocolate Co., Cambridge, Mass. \$500,000 candy manufacturing equipment. WRITE, WIRE, PHONE: DAVID WEISZ, 840 San Julian, or MILTON J. WERSHOW, 7213 Melrose, Los Angeles.

### MARCH 21

American Engineering Co., Philadelphia. Machine shop equipment. \$500,000 valuation. WRITE, WIRE, PHONE: DAVID WEISZ, 840 San Julian, or MILTON J. WERSHOW, 7213 Melrose, Los Angeles.

### MARCH 21

Fernwood Industries, Macomb, Miss. Woodworking equipment. WRITE, WIRE, PHONE: SAMUEL L. WINTER-NITZ & CO., First National Bank Bldg., Chicago.

## The SLING CHAIN that Talks ...with the WARNING RING!



## CAMPBELL SENTRY SLINGS\*

The **WARNING RING** which is actually stronger than the chain itself, acts as a joiner link on Campbell **SENTRY SLINGS**®. It tells you immediately when the sling has been overloaded ... it elongates visibly ... and before the chain itself is damaged. Your eye can see the difference!

New, revolutionary ... Campbell **SENTRY SLINGS**—fully tested for over a year by foundries, steel fabricators and heavy equipment manufacturers, offer many important advantages. The **WARNING RING** changes shape as the sling is overloaded ... before permanent damage occurs. Repair is quick and easy, with a new **WARNING RING** replaced at the factory. Re-tested and re-certified Sentry Slings are again ready for regular service.

### Here's How You Benefit From New SENTRY SLINGS:

- Safety programs are easier to maintain — with the **WARNING RING**'s built-in safety that protects men and material!
- Lower repair costs mean greater savings for you—normally only the **WARNING RING** will need repair!
- Immediate visual evidence of overload means easier inspection—even while sling is in use!

**SENTRY SLINGS**, available in all types, are made from Cam-Alloy steel chain only ... available at no extra cost! All carry the Campbell Guarantee and Certificate of Test.

For complete information contact your Campbell distributor or write direct.



\*Patent Applied For

**CAMPBELL CHAIN Company**

FACTORIES: York, Pa.; West Burlington, Iowa; Union City, Calif. • WAREHOUSES: Medford, Mass.; Atlanta, Ga.; Dallas, Texas; Chicago, Ill.; Portland, Ore.; Seattle, Wash.; Los Angeles, Calif.



# Kennedy Acts to Step Up Economy, Hold Prices

(Continued from page 1)  
agencies to report identical bids—and make them public. As things stand now, federal agencies report to the Justice Dept. identical bids if they think there is a suspicion of bid rigging. Patman would make it mandatory for those agencies—Defense Dept., General Services Administration, and all other procurement offices—to report all identical bids to the antitrusters, rather than give them discretion to report only those they think are suspicious.

## Goldberg's Plan

But, chiefly, Kennedy will count on a plan by Labor Secy. Arthur J. Goldberg to create a new labor-management commit-

tee in his effort to influence wage determinations and, in turn, price levels.

Basically, the proposal calls for a Presidential advisory committee on labor-management problems consisting of seven business leaders, seven union chiefs, five representatives of the public and the Secretaries of Labor and Commerce. It would advise the President on such matters as wages, prices, collective bargaining, automation and America's competitive position in world trade.

## Fundamental Problems

One supporter of the plan insists that the committee never would deal with specific wage problems during collective bar-

gaining negotiations. But, he says, it will talk about fundamental economic problems confronting the country. If a wage demand or a price increase is found excessive and may cause injury to the economy, the committee would so advise the President. He might then declare publicly that an excessive wage or price increase is against national policy.

## Limited Influence

Kennedy has stressed this point. The federal government, he notes, has "only a limited influence" over prices and wages and "this is as it should be." But, he adds, the public interest in wages and prices is substantial and "ways must be found to bring that public interest before the parties concerned."

The White House denies that this is the first step toward specific wage-price controls. Rather, it is described as a vehicle through which the President could arouse public opinion in an effort to moderate the demands of labor and to block price increases that were not completely justified by cost rises.

The first real test of the labor-management committee may come in August when the contract between the United Auto Workers and the big three of the auto makers—General Motors, Ford and Chrysler—comes up for renewal. UAW Chief Walter Reuther has some close friends in the Administration and it will be almost impossible for them to turn against him.

That's why some business groups already are viewing the committee plan with skepticism.

## Tax Reform Skepticism

Some of the same business skepticism is aroused among businessmen about Kennedy's forthcoming plans for tax reform. They applaud his support of a more liberal policy on depreciation of plant and equipment, but they wonder how much they will lose through his stated desire to close tax "loopholes."

By the same token, tax incentives to promote investment in new plant and equipment could promote productivity and increase corporate profits. And business should have no quarrel with Kennedy's plan to expand credit through the lowering of long-term interest rates.

This Week's

# Purchasing Perspective

FEB. 20-26

(Continued from page 1)

that a majority of firms had hit their inventory low points, although opinions on when rebuilding would start were vague. The situation still remains clouded, but buyers are seeing bright spots here and there.

A survey of Chicago buyers last week showed that 50% still don't know when they will move into an inventory replenishment program. This uncertainty about the economic future was buoyed somewhat, however, by the fact that 41% believe they will start rebuilding during the first half of the year (this segment also split 50-50 between first and second quarters).

A tone of steadiness also appears in a National Industrial Conference Board study of employment, inventories, and capital spending at 160 manufacturing companies. Eighty per cent of the firms said they expect factory employment to increase or hold at present levels during the next 12 months. The same percentage said they have not changed capital spending expectations during the past two months, and four out of five said their previous estimates of mid-1961 inventory levels still are unchanged from late 1960 when 37% forecast downward trends, 27% foresaw increases, and 36% expected no change.

Congressional concern over how defense dollars are being spent and the running battle on Capitol Hill over negotiated vs competitive bidding even has press release writers looking cautiously over their typewriters. A press blurb issued by Lockheed's Missiles & Space Division made a special point of the fact that an Air Force contract awarded Lockheed for a study program on an automatic test equipment system came as a result of "competitive procurement."

## BUYERS' GUIDE:

**The AFL-CIO Cement, Lime and Gypsum Workers** are asking major cement producers for a new one-year contract calling for a package increase of about 16¢/hr. effective May 1. Most cement prices have been guaranteed to customers through 1961, and producers contend proposals for a 10¢ pay increase plus additional fringe benefits would be a low blow.

**Retiring Vice President L. Woodward Franzheim of Wheeling Steel Corp.** said last week the steel industry must have a series of selective price increases to offset higher labor costs.

**Goodyear Tire & Rubber Co. Chairman E. J. Thomas** said replacement tire prices aren't high enough to give producers a satisfactory return, but present business conditions still are not right for "any meaningful price advance."

**Machine tool builders** believe Pratt & Whitney's "any-make trade-in" plan (see p. 1) is a risky proposition and won't attract many imitators. Said one Cleveland manufacturer: "Profits are too thin to absorb the extra costs in rebuilding and disposing of used machine tools. Besides, there are some 2,800 qualified used tool dealers in this highly competitive business, and original equipment builders have little stomach for trying to enter that market."

# Electrical Equipment Manufacturers Face Flood of Damage Suit Threats

(Continued from page 1)  
the alleged price conspiracies resulted in overcharging.

General Electric Chairman Ralph Cordiner, appearing before a security analysis session in New York, said GE would resist any suits filed by the federal government because "we don't think anybody in the federal government has been damaged." Cordiner also estimated that any damages resulting from possible overpricing would be small compared to the total \$1.2-billion sales covered in the indictments against his firm.

## The Suits

Here's how the flurry of damage suit threats were shaping up:

• The National Institute of Municipal Law Officers said it would propose a plan to more than 100 city and county attorneys in Washington this week. The indicated plan was that one agency would file suit in hopes of setting a precedent for the others.

• Massachusetts legal officials sent questionnaires to 40 small communities in the state to determine how much equipment they may have purchased from defendant firms. New Jersey's attorney general indicated he would follow a similar course.

• In California, state legal chiefs are seeking to roundup municipalities and agencies for combined action. The state already has indicated it will file treble damage suits in April.

• Four California utilities—Southern California Edison, California Electric Power, San Diego Gas & Electric, and Pacific Gas & Electric—joined in retaining a single law firm to conduct an investigation and advise them whether to file claims.

One of the most aggressive local actions is shaping up in San Francisco where city officials gave four manufacturers 60 days to "come up with a fair offer" of settlement. Officials have indicated firms have shown great willingness to settle out of court, and there's more than a little evidence that negotiation of this sort will play an important part in heading off many of the threat-

ened court actions elsewhere.

Pressure from public utility commissions may force some power companies into damage-seeking actions. The Pennsylvania PUC, for example, has said it will disallow any losses over and above the fair market value of heavy electric equipment.

In contrast, officials of Atlanta and Indianapolis have said they will refrain from making court claims. In other instances, some scaling down of early damage estimates has taken place; Tacoma City Light Co. found that its claims would not qualify in every instance and its demand for \$1-million is out.

## Duty to File Suits

In Philadelphia, city solicitor David Berger said if the city can prove it suffered damages, "it will sue for over \$1-million." Pennsylvania Attorney Gen. Ann X. Alpern said the state "has a duty to file suit" and her office also is advising local community officials on filing claims.

In Ohio, Cleveland Law Director Ralph Locher met last week with representatives of 12 cities to "combine information and experience." State Purchasing Chief George Dick said his department wants a transcript of the proceedings.

In Michigan, the state attorney general's office is studying data on heavy equipment purchases. New York Mayor Robert Wagner said the city would file, and New York state officials are checking on possible overcharges for equipment.

## Chicago Mulls Suit

Chicago purchasing officials estimate they have a potential claim of \$5-million but it will take a number of months to compile the data. In Texas, GE's Charles E. Wilson already has contacted seven cities, and state officials say they will cooperate but that only the municipalities themselves can decide.

Louisville Gas & Electric is studying its purchases. Kansas City, Mo., and Kansas City, Kan., are reviewing past contracts. In the state of Washington, most utilities are waiting for advice from State Attorney John J. O'Connell, who said last week he had not decided what action to take.

# Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
<b>INCREASES</b>			
Rayon tire cord, beaunit, Am. Visc., Du Pont, 1650 & 1100 den., lb.	.02	.51 & .59	
Calcium & sodium propionate (Mocoban), Du Pont, March 1, drum, lb.	.025	.37	increment costs
<b>REDUCTIONS</b>			
Urea, fertilizer grade, bulk, ton.	\$4.00	\$86.00	good supply
Silicon unijunction transistors, 2N1671, 2N1671A, 2N1671B, quantity lots.	\$1.25-\$1.45		prods. econs.
Gum rosins, N. Y., Katy, Mary, cwt.	.65	\$15.75	quiet demand
Nancy, cwt.	.50	\$16.00	quiet demand
Window glass, cwt.	.50	\$17.00	quiet demand
Water white, cwt.	.50	\$17.50	quiet demand
Mercury, 76-lb. flask.	\$1.00	\$208.00	
Silicone fluids, GE, Single drum, lb.	.05 avge.		prods. econs.
Alcohol, C-10, lb.	.50	\$1.25	
Para-cresol methyl ether, lb.	.15	\$1.25	



# Imports Rise Despite Smaller Price Advantage

(Continued from page 1)  
lead times are being shortened considerably—thanks to speedier transportation and improved foreign scheduling. In aluminum products, for example, one importer says a delivery which took three to four months a year ago can now be obtained in less than two months.

Much the same is true of service. Brags one importer: "I called a plant engineer in Paris one Saturday evening and he was at the customer's plant working out the problem by Monday morning. You can't beat that for speed."

But not all buyers would agree with this importer. Chester F. Ogden, vice president of purchasing for the Detroit Edison Co., told PURCHASING WEEK he still believes that U.S. service is far superior to anything that foreign firms can offer. For this reason—and because he feels that it's a P.A.'s responsibility to keep business inside the U.S.—he still prefers to "Buy American."

## Opinions Split

This difference in opinion is making "pinpoint" import forecasting a little more difficult this year. In fact, it led to a sharp split among private and government experts as to where the final import total will settle.

The National Foreign Trade Council, for example, predicts about \$15-billion in total imports—3% above the \$14.6-billion level of 1960. Government experts, however, are a little more cautious. They see only \$14-billion—some \$600-million less than last year.

Price is another factor that could influence the volume of imports in coming months. As noted above, the price advantage of importers has been showing signs of narrowing.

Will it continue? And at what speed? While no one is willing to hazard a guess on the second question, there's general agreement that the gap will continue to narrow.

Economists point out, for example, that labor costs abroad have been rising at a faster clip than domestic rates, and that foreign productivity is showing continued signs of abating. Result: Prices, necessarily, must increase

in comparison to U. S. prices. One way to further narrow the price gap has been suggested by Walter Reuther of the United Auto Workers. He would raise tariffs on those countries that have lower wage rates than ours, together with the same degree of production efficiency.

But chances of any major tariff legislation are pretty slim. The President showed he leans toward free trade in his recent rejection of Tariff Commission recommendations to impose higher duties on baler and hard fiber twine.

Meanwhile, the differentials between U.S. and foreign prices, continue to operate heavily in favor of the importers.

TVA's experience in electrical equipment is a striking example of how vital these differentials can be. Since 1956, TVA has purchased \$35-million worth of heavy electrical equipment from foreign sources. For the same items, lowest U.S. bill totaled \$55-million. That's a cost savings of 36%.

The gap is also responsible for the fact that "industrial" imports did not decline at all during the business slowdown of 1960. Last year, for example, nonagricultural, imports—the kind purchased by the nation's P.A.'s—rose 1%.

A look at the key manufacturing import category shows an even more significant gain. This group—which includes such items as electrical equipment, machine tools, electronics, and textiles—rose some 4% over the previous year.

## 'Buy American' Snags

The "Buy American" sentiment obviously hasn't had too much effect in this area. Actions like that of Texas oilman H. L. Hunt (who instructed his purchasing departments to halt the buying of foreign steel) are still few and far between.

Moreover, most of the measures recently introduced by state agencies, giving preference to domestically produced commodities, are probably headed for the scrap heap.

In the electrical equipment field, recent convictions of major suppliers of price-fixing charges

could result in what one spokesman called a "reverse buy American" trend. Some firms have intimated if they can't recoup losses they have suffered, they will feel "justified" in seeking out cheaper foreign sources.

But justified or not, the steady-to-higher import trend means continued rough going for scores of domestic industries. Here's a rundown on how some of them are feeling the pinch.

**Steel:** A look at some of import figures tells the story much more dramatically than words. Imports as a percent of domestic consumption showed these amazing numbers for 1960:

Wire rods	31%
Structural shapes	10%
Wire nails	42%
Barbed wire	52%
Fencing	33%
Concrete reinforcing bars	18%

Another area where recent inroads have been made is pipe and tubing. Imports climbed to 6% of domestic consumption last year, compared to 1% in 1956.

There's little chance of any import price increases in the above product lines, according to domestic industry spokesmen. Some think easing European demand could actually lead to intensified price competition in some areas.

**Aluminum**—Foreign aluminum, according to James E. Fifield, vice president of International Selling Corp., a major aluminum importer, is holding its own in key product lines.

He cites items such as deep drawing circles, high alloy, and specialty sheet and coil where European prices are 10% to 15% below domestic official list prices. Free machining bar stock is another bargain area, according to Fifield. The differential here is about 15%.

In other areas, domestic producers are recouping lost business via price cuts. This is especially true in fin stock, building sheet, duck sheet and can stock.

**Brass mill products**—There's still no sign of any easing off in import competition despite sizeable price cuts in the past 12 months. In 1960, imports of brass mill products accounted for 10% of the entire domestic market—the same high percentage as the previous year.

T. E. Veltfort, managing director of the Copper & Brass Research Assn., told PURCHASING WEEK that price differentials are still substantial. "The disparities are in the order of 10% to 15% and even more depending upon the specific products involved," comments Veltfort.

With this in mind, the industry is now pushing for tariff relief. According to Veltfort, tariffs have been cut from an average of 41% in 1938 to 5% at present, on an ad valorem equivalent basis. And he would like to see the trend reversed.

But any immediate relief is doubtful. Tariff Commission Chief Joseph E. Talbot has indicated that a 13% to 14% market penetration figure would be needed before any action would be taken.

**Electrical Equipment**—Ac-

# Late News in Brief

## Lower Transatlantic Air Cargo Rates

**New York**—Transatlantic air cargo rates are due to be lowered, with an open rate situation likely to develop on April 10 unless the International Air Transport Assn. can agree on a new tariff structure before then.

The IATA meeting in Paris broke up after three weeks with members unable to agree either on extending the current schedule or creating a new one. In the absence of an agreement, many airlines plan to reduce rates on their own on April 10. Among them: Pan American, TWA, Seaboard & Western, KLM, Luft-hansa, Trans Canada, BOAC, and Air France.

## FCC Okays Telpak

**New York**—The Federal Communications Commission approved AT&T's Telpak service which will enable big industrial and government users to rent transmission circuits in blocks, rather than paying for a number of individual private lines.

The "blocks" will be offered in various sizes ranging from the equivalent of 12 telephone circuits at \$15 per airline mile monthly to 240 at \$45. Additional monthly charges for terminal equipment will range from \$900 to \$1,300. Channels can be used for telephone conversation, teletypewriters, telephotographs, facsimile and remote control of equipment.

## St. Joseph Cuts Zinc Production

**New York**—St. Joseph Lead Co. will curtail refined zinc production by 15% at its Josephtown, Pa., smelter. Announcement followed American Zinc's announced 10% cut in its total zinc production in first half of 1961.

## Coupe Resigns as N. Y. State Purchasing Chief

**Albany, N. Y.**—Douglas C. Coupe has resigned his job as Commissioner of the Division of Standards and Purchase to become a vice president of the National Commercial Bank and Trust Co. here. Gov. Rockefeller, in accepting Coupe's resignation from the \$18,986-a-year post, lauded him for his "great administrative skill" in handling the job.

cording to Joseph F. Miller, managing director of the National Electrical Manufacturers Assn., the impact of foreign competition varies from one segment of the industry to another.

Says Miller: "Many electrical products have not so far encountered significant import competition, but others—notably hydraulic turbines and some other categories of heavy electrical equipment, certain types of wire and cable, and dry batteries—are losing an increasingly substantial part of the domestic market to countries where wage rates and other costs are only a fraction of those in the United States."

Moreover, government economists see no quick end to the import trend in the heavy equipment area. On electrical transmission and distributor items they believe that imports will increase "slightly."

Chances of tariff relief are slight—with even domestic suppliers split on the issue. Many of the larger firms are placing more emphasis on overseas sales and operations—and thus have a vested interest in maintaining a liberal trade attitude at home.

**Machine tools**—According to one National Machine Tool Builders Assn. official, "1960 was the worst ever from the standpoint for imports. In the first nine months of 1960, imports classified by the Census Bureau in the 'metal-cutting and metal-forming' category totaled about \$29-million—more than 25% above the previous year."

And there won't be any improvement in 1961, according to

several industry spokesmen. The Commerce Dept. is also worried. In its 1961 outlook, for example, it says imports may become an even greater problem to the industry in the current year.

**Electronics**—According to Robert C. Sprague, chairman of the board of Sprague Electric Co., "Imports from low-wage foreign producers confront the U.S. electronics industry with one of the most critical problems in its history."

According to one Chicago labor union statement, imports were the primary cause of a 20% decline in employment among 14 Chicago electronics manufacturing firms.

Japan is the biggest threat. In one recent year, for example, that country captured 50% of the American market for transistor portable radios.

**Textiles**—Import competition is nothing new here. It's been going on for the past 15 years. But over the past two years it has taken a particularly sharp jump in some categories.

Cotton manufacturers note, for example, that over 1-billion sq. yd. of goods was imported during 1960—a whopping 228% increase over 1958 volume.

Wool imports in the form of fabrics, apparel, top and knitted wear were up 107% over the same 2-year period.

It's these figures that are prompting the textile industry to ask for quotas on a wide-range of items—with Japan, India, Pakistan, and Hong Kong singled out as targets for restrictive legislation.

# Celanese Develops New Polyethylene

(Continued from page 1)  
tles for detergents, for example, can be molded at a faster rate, and wire-coating extruding lines can be accelerated.

Volume uses for Fortiflex include pipe, automobile and appliance parts, containers for liquids, electric wire insulation, paper coatings, and mass injection items such as dishpans and cups.

## National Distillers, Shell Enter Polyethylene Market

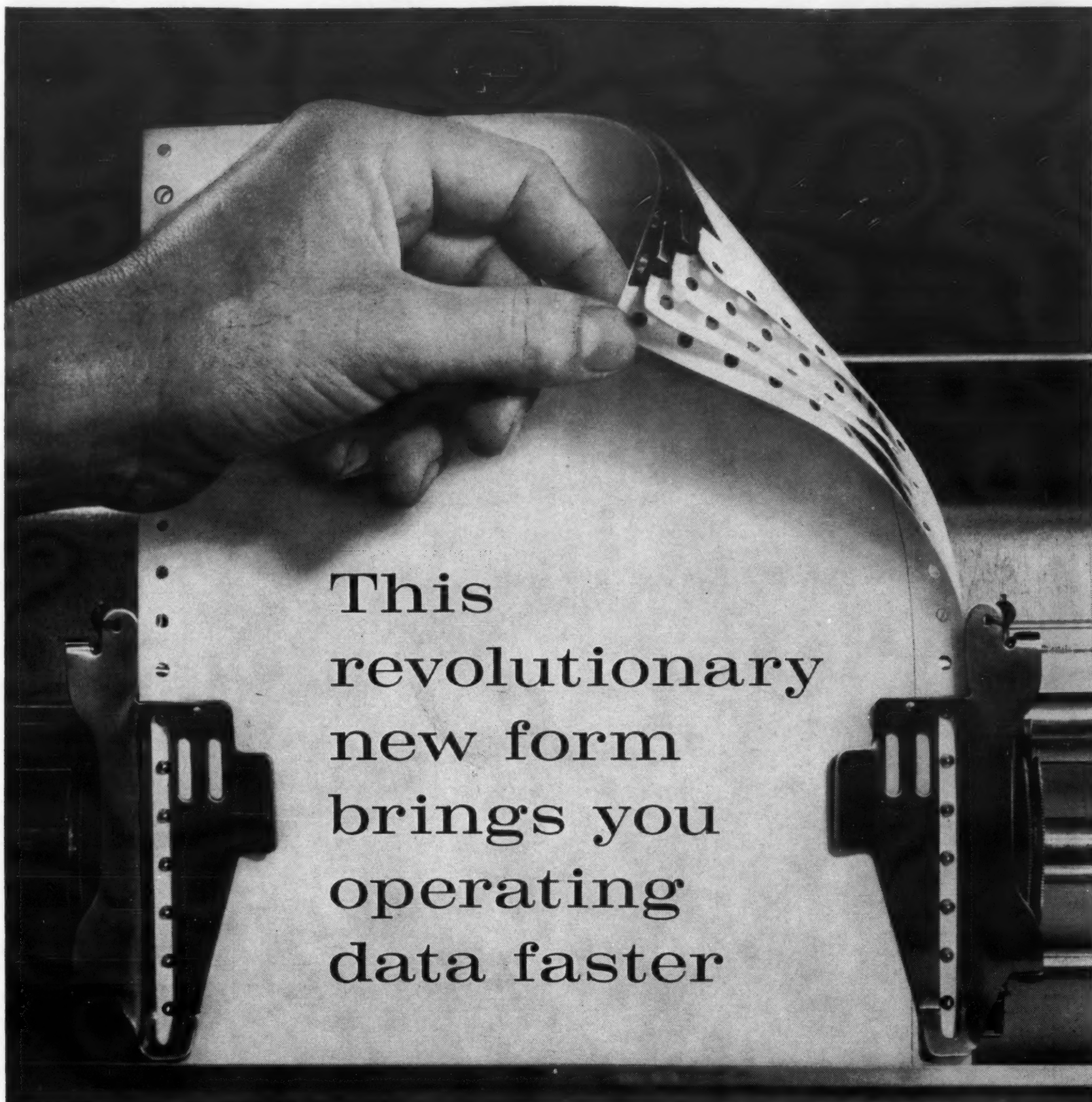
**New York**—National Distillers & Chemical Corp. announced it will enter the high density polyethylene market. It will produce the product under license from Phillips Petroleum Co. at a 60-million pound per year plant to be built at Houston. The new plant will be completed in late 1962.

Linear polyethylene was first introduced in this country four years ago. Production has grown from 20-million lb. in 1957 to 170-million lb. last year. Yearly consumption of 600-million lb. is forecast by 1965.

Addition of the new Fortiflex resin facilities raises over-all production capacity at Celanese's Houston plant to 60-million lb. per year.

**New York**—Shell Chemical Co. and Union Carbide Plastics Co. have signed an agreement whereby Shell will market low-density polyethylene produced by Union Carbide to Shell specifications and Shell will custom manufacture polypropylene resin for Union Carbide, beginning in mid-'62.





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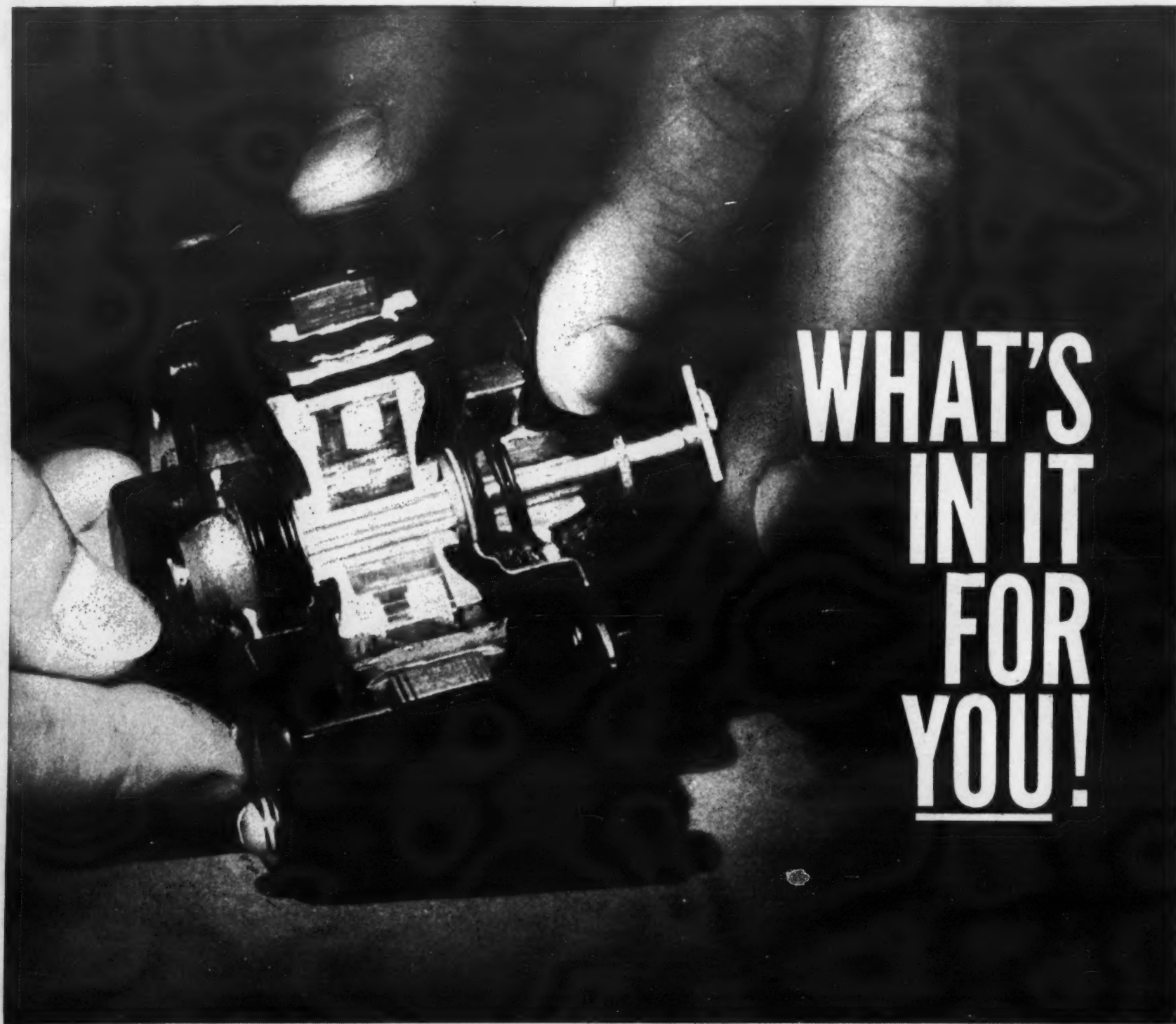
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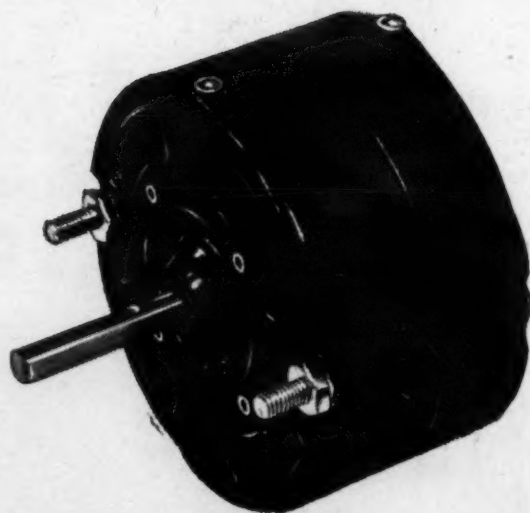


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